Vontobel

Annual Report

2022

The Port of Hamburg is a gateway to the world. This Hanseatic city is not only a major trading hub but is also home to key media outlets and is one of Germany's largest banking centers. Vontobel has been serving private clients in this city for more than a decade. Its growing team of wealth management experts are based at Domstrasse 18, not far from the City Hall of the Free and Hanseatic City of Hamburg. With its numerous canals and bridges, it is also known as the "Venice of the North" – and the surrounding area is traditionally classed as one of the German regions with an especially discerning and wealthy clientele.

Germany is one of Vontobel's focus markets – and is therefore one of its growth markets. Through our German subsidiary Bank Vontobel Europe AG and our Asset Management business, our teams of experts have been serving the needs of institutional and private clients in Germany for more than 20 years – delivering service and investment solutions in person and via digital channels. In addition to Hamburg, Vontobel's Investment and Wealth Management experts serve our clients in Frankfurt am Main and in Munich, where our German subsidiary is headquartered.

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Further information
vontobel.com/sustainability

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COMMENTS ON THE FIGURES
The amounts shown in the numerical part of the report are rounded. The figures presented may therefore not add up precisely to the totals provided in the tables and text. Percentages and percent changes are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages and percent changes that would be derived from figures that are not rounded. A blank field indicates that the corresponding position does not contain a value. 0.0 means that the corresponding position contains a value that amounts to 0.0 when rounded.

ALTERNATIVE PERFORMANCE MEASURES (APM)
We measure performance using alternative financial indicators that are not defined in the International Financial Reporting Standards (IFRS).
Details can be found in the glossary on pages 248 and 249.

This report also appears in German. The German version is the binding version.

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“Our performance in 2022 has confirmed that Vontobel has the right strategic focus and business model, the right geographical footprint, risk appetite, values and convictions.”

Dr. Zeno Staub
Chief Executive Officer

Andreas E.F. Utermann
Chairman of the Board of Directors

Shareholders' letter

Dear shareholders and clients

In 2022, in an exceptionally challenging environment, Vontobel delivered a satisfactory result and took important steps to pave the way for the future success of the company.

A year ago, we were still convinced that we would see a return to normality after two years of the pandemic. The markets reached record highs and inflation was a risk but nothing more – or, at least, that is what many people thought. At the start of February 2022, Vontobel was able to look back on the best year in the history of the company. However, everything changed on February 24, 2022. Russia's invasion of Ukraine altered the world beyond recognition – for our clients and for Vontobel. Potential risks became a reality. A massive increase in geopolitical rivalry, the reversal of decades of expansionary monetary policy, and double-digit rates of inflation all coincided – and are now accompanied by early signs of recession. Together, these developments have created an uncertain environment for everyone – including market participants.

This set of events was also reflected by valuations in the world's stock markets, which experienced significant corrections across almost all asset classes. Also, Vontobel was not immune to these developments. As we stated in our half-year Report 2022, the importance of selectivity and quality is continuing to grow – especially in the current environment and in a "new world". As an active investment firm, Vontobel invests in selected investment instruments for its clients, not in indices. We have more than 300 investment experts in Europe, the US and Asia, who have been led by Christel Rendu de Lint since January 13, 2023. These investment experts aren't influenced by the latest trends – they follow their convictions in order to achieve long-term success for our clients. Their approach is also reflected by the ratings assigned to Vontobel by international rating agencies. 54 percent of all Vontobel funds rated by Morningstar (weighted according to assets under management) achieved a 4- or 5-star rating.

2022 was the most difficult year that financial markets have experienced – at least since the start of the global financial crisis. There have been extremely few cases in the past when rising interest rates have coincided with falling equity markets – with both equities and fixed income experiencing significant losses.

In this challenging environment in 2022, Vontobel generated a satisfactory return on equity of 11.2 percent – even if this was below our own targets and our record return on equity of 18.8 percent in 2021. Vontobel has maintained its very solid capital position that exceeds all regulatory minimum requirements as well as our own mid-term targets, i.e. a CET1 capital ratio of more than 12 percent and a total capital ratio of over 16 percent. At the end of 2022, our CET1 capital ratio remained strong at 16.7 percent (end of 2021: 16.6 percent) despite the acquisition of UBS Swiss Financial Advisers (SFA). The transaction, which closed in August 2022, was fully funded with cash from Vontobel's balance sheet. The Tier 1 capital ratio was 23.8 percent at the end of 2022 (end of 2021: 23.4 percent).

Our performance in 2022 has confirmed that Vontobel has the right strategic focus and business model, together with the right geographical footprint, risk appetite, values and convictions. We are continuing to work steadily towards our Lighthouse Ambition: By 2030, Vontobel wants to be recognized as one of the leading and most trusted investment firms in all our markets. With our capital-light strategy and conservative risk profile, Vontobel remains well on track to generate growth organically and through acquisitions, even in a "new world".

Strong net new money in business with private clients
In 2022, all areas of Vontobel – i.e. the business with wealth management and asset management clients, as well as clients who access our investment expertise primarily via our digital channels – made positive contributions to our satisfactory result. Despite significant changes in the investment landscape, the Wealth Management business continued to perform well. In the current uncertain environment, wealth management clients displayed a preference for quality and expertise that benefited Vontobel.

Wealth Management therefore achieved strong growth in net new money of 5.6 percent, which was within our target range of 4–6 percent. In Wealth Management, clients entrusted a total of CHF 5.4 billion of net new money to Vontobel (2021: 6.9 percent, CHF 5.6 billion).

However, asset management clients stayed on the sidelines rather than reinvesting or making new investments in a series of asset classes. This trend mainly impacted active asset managers such as Vontobel. As a result, we recorded net outflows of –7.4 percent or CHF –10.6 billion in Asset Management in 2022 (2021: 1.4 percent, CHF 1.9 billion). The positive overall development of net new money in Wealth Management was unable to compensate for the outflows in Asset Management. As a result, Vontobel ended the year with negative growth in net new money of –2.1 percent or CHF –5.2 billion (2021: 3.7 percent, CHF 8.1 billion).

Price losses in the markets also impacted assets under management. The situation in the international capital markets that occurred last year, where stock markets and bond markets simultaneously experience a sharp fall in prices, has only happened four times over the last five decades. After a record year in 2021, assets under management therefore declined by 16 percent to CHF 204.4 billion (end of 2021: CHF 243.7 billion) due primarily to the market environment.

In the business with our wealth management clients, assets under management remained stable on the back of very good net new money. In total, Vontobel managed CHF 92.6 billion of assets for wealth management clients at the end of 2022, compared to CHF 95.8 billion at the end of 2021.

In Asset Management, the trend seen in first six months of the year continued over the remainder of 2022. Following strong growth in previous years, assets under management decreased from CHF 142.9 billion to CHF 107.2 billion during the year under review.

Pre-tax profit for 2022 totaled CHF 267.4 million, compared to CHF 467.2 million in the previous year, and thus was below the record result for 2021. Profit after taxes of CHF 229.8 million was 40 percent below the record result for the previous year.

Operating income totaled CHF 1,285 million in 2022, compared to CHF 1,536 million in the record prior year. Operating income in Wealth Management reached CHF 646 million in 2022 (2021: CHF 634 million). At the end of 2021, we already anticipated that the demand for leverage products among our private clients in the Digital Investing business would normalize again from the very high levels of turnover seen during the corona pandemic, and this expectation was already confirmed in the first half of 2022. Vontobel therefore generated operating income of CHF 186 million in 2022 (2021: CHF 316 million), in line with the level recorded in 2020. As one of the leading providers of structured products, Vontobel defended its very good position in its focus markets. In the business with institutional asset management clients, Vontobel generated operating income of CHF 457 million, compared to CHF 594 million in the previous year.

As was already the case with the half-year result, our full-year results were affected in particular by lower market valuations and the general worldwide pressure on margins.

In light of the current market environment, margins reached a satisfactory level in the business with both our wealth management and our asset management clients. Our clear positioning as a high-conviction active asset manager that delivers high-quality products and services and has a relentless client focus had a positive impact. In 2022, Asset Management generated a gross margin of 37 basis points (42 basis points), which continues to represent a satisfactory level compared to our competitors. In Wealth Management, the gross margin was solid at 71 basis points. It was thus slightly above the margin of 70 basis points reported for the previous year.

In response to deteriorating market conditions, Vontobel initiated further measures to contain costs during the last financial year. As a result, operating expense decreased by CHF 51 million to CHF 1,018 million (CHF 1,068 million), corresponding to a reduction of 5 percent. Even though Vontobel prevented costs from rising in the course of business, the cost/income ratio of 78.4 percent for 2022 was above Vontobel's own mid-term target ratio of less than 72 percent and also exceeded the very good ratio of 69.1 percent in the previous year.

Vontobel has seized growth opportunities and will continue to do so in the future. In addition, we will use changing operating conditions as an opportunity to align our business portfolio even more closely with our Lighthouse Ambition. By adopting a sharper focus and leaner positioning, we expect to generate additional gross cost reductions of CHF 65 million by the end of 2023.

Priorities for 2020 to 2022 delivered – strategy and ambitious targets for 2023 to 2024 confirmed

Following its realignment as a global, client-centric pure-play investment firm that empowers its clients to build a better future, Vontobel completed the first two-year phase in the journey towards its Lighthouse Ambition 2030 at the end of 2022. Based on the five priorities we defined for 2020–2022, we have used the last few years effectively to take a decisive step towards our long-term ambition.

In November 2022, as part of its regular strategy process, Vontobel confirmed that it remains fully committed to its strategic positioning. For the next sprint from 2023 to 2024 – irrespective of changes to the market environment – Vontobel has left its ambitious growth and profit targets for the period to 2024 unchanged. Vontobel is confident that it will reach its overall targets across one cycle, as it has done in the previous two years. Further, Vontobel has defined four priorities for the current two-year sprint to enable it to take the next step towards its Lighthouse Ambition 2030. Detailed information on its progress during the last two years and its priorities and targets for the next sprint can be found on pages 8–9 of the Annual Report.

Dividend proposal unchanged
Vontobel wants its shareholders to continue to participate in the success of the company in the future through the distribution of an attractive dividend. Priority will, however, always be assigned to maintaining a robust capital position that will allow us to implement our Lighthouse Ambition 2030 and to thus secure Vontobel's long-term success. The Board of Directors will therefore propose a dividend of CHF 3.00 per share – unchanged compared to the record year 2021 – to the General Meeting of Shareholders on April 4, 2023. This corresponds to a payout ratio of 73 percent. Last year, the dividend was increased from CHF 2.25 to CHF 3.00. Based on the closing price of the Vontobel share of CHF 61.30 on December 30, 2022, this represents an attractive dividend yield of 4.9 percent. Our shareholders have benefited from dividend payouts and share repurchases totaling CHF 1.5 billion over the last decade. At the same time, shareholders' equity has increased from CHF 1.6 billion to CHF 2.0 billion over the last ten years.

Driving capital-light, risk-conscious growth – focusing on business with recurring revenues
2023 will be another challenging year for our clients and for Vontobel but it will also offer opportunities for active investors. Geopolitical risks, supply chain issues, high energy prices, inflation, a looming recession and, additionally, the corona pandemic will continue to impact the economy – and therefore also investors – for the foreseeable future. In a challenging environment such as this, it is more important than ever to develop and implement the right investment strategy to achieve personal goals, as well as identifying opportunities created by the market environment. In 2023, in our role as a pure-play investment firm, we will continue to support our clients – offering them our full expertise and services to empower them to build a better future.

Vontobel will pursue its ambitious growth and profit targets and priorities in 2023 with an emphasis on capital-light growth. In doing so, we will place a particular emphasis on business that generates recurring income and is in line with our conservative risk profile. Reflecting the operating environment, we will be mindful of costs and maintain an entrepreneurial approach, while ensuring that we don't miss out on long-term opportunities. We carefully navigated the exceptional environment of 2022 and will remain on course in 2023.

Our diverse team of highly motivated and highly qualified employees and you, our clients and shareholders, are the foundations of our success. We wish to express our considerable thanks to you for your trust and loyalty – especially in these extraordinary times.

Andreas E.F. Utermann
Chairman of the
Board of Directors

Dr. Zeno Staub
Chief Executive Officer

Vontobel’s mid-term profit and growth targets and priorities as it advances towards its Lighthouse Ambition 2030

In 2020, Vontobel realigned itself as a global, client-centric pure-play investment firm that empowers its clients to build a better future. With the definition of its Lighthouse 2030, it also set itself a clear goal: By 2030, Vontobel wants to be recognized as one of the leading and most trusted investment firms in all its markets.

At the end of 2022, Vontobel completed the first two-year phase in the journey towards its Lighthouse Ambition 2030. We defined five priorities for the first “sprint” and we have worked intensively to achieve them:

1. Deliver the Vontobel experience
2. Deliver a pure-play investment firm to all clients
3. Deliver on tipping points to our future growth ambition
4. Deliver the power of technology, data & analytics
5. Deliver a great place to work for people who want to excel

Vontobel is today one of the strongest brands in Switzerland. In the group-wide “Voice of the Client” study for 2021, Vontobel achieved top scores in the area of client satisfaction. This is particularly reflected by the strong results achieved in Wealth Management. We are clearly positioned as an investment partner to our clients. We are recognized for our global investment expertise and we do not use the lending business as a strategic growth lever. Vontobel has taken targeted steps to expand its range of investment opportunities in recent years, with a particular emphasis on sustainable investing. In this context – and to ensure we communicate transparently and provide reliable information – we have defined the following ESG Investment Principles:

1. We incorporate environmental, social and governance (ESG) considerations into our investment processes in the belief that over time, it will enable our clients to better achieve their investment objectives.
2. As active managers we leverage the tools of engagement and voting to perform our fiduciary duty as stewards of our clients’ capital.
3. Our investment teams are accountable for the application of our ESG Investment Principles.
4. We are committed to transparency through disciplined disclosure, reporting and dialogue with all our stakeholders.

In recent years, Vontobel has invested selectively in businesses and regions where there is scope for further growth in the future. For example, we successfully implemented our UHNWI initiative and expanded our business with Global Banks. Vontobel also made use of the option to acquire TwentyFour Asset Management in a deal fully funded with cash from Vontobel’s balance sheet. The acquisition of UBS SFA, which closed in summer 2022, was another milestone. The legal and operational merger of the former UBS SFA and Vontobel Swiss Wealth Advisors to create Vontobel SFA is due to be completed by the end of the first half of 2023. Vontobel is today the largest Swiss-domiciled wealth manager for US clients seeking an account in Switzerland for diversification purposes.

We use technology to gain a deeper understanding of our clients and to deliver new customized investment opportunities that were previously only accessible to institutional investors. For example, Vontobel has developed a proprietary solution – iPortfolio – to assist in the active management of thousands of individual client portfolios, while at the same time consistently mapping Vontobel’s investment strategy. We are also making effective use of technology in order to roll out our product offering across all our markets. Today, Vontobel offers its complete investment expertise across all asset classes to institutional clients in the US. Further, the number of job applications we receive, as well as the findings of regular employee surveys, show that Vontobel ranks as an employer of choice – and not only in Switzerland.

Strategy and ambitious targets for the 2023–2024 sprint confirmed

At the Investor Day (www.vontobel.com/presentations) in November 2022, Vontobel fully confirmed its strategic positioning in the context of its regular strategy process.

The fundamental drivers of growth for an investment firm such as Vontobel remain largely intact. Experts assume, for example, that global wealth will continue to grow in the coming years and that the proportion of professionally managed assets will increase further. At present, only around 25 percent of total global wealth is professionally managed. External studies suggest that the proportion of professionally managed assets has risen by 4 percentage points over the last decade and is expected to increase by the same amount over the next five years. With its strategic positioning in its focus markets, Vontobel has access to more than 80 percent of global wealth that requires professional investment management. As already communicated when it announced its half-year 2022 results, the investment firm will place an even stronger focus than before on large, established markets with substantial numbers of sophisticated clients whom Vontobel can help to realize their objectives in a changing world – drawing on its global investment expertise. In addition to its Swiss home market, which accounts for around 40 percent of its assets under management, Vontobel has defined five focus markets in which the investment firm wants to achieve further growth in the future. They include the US, the world's largest asset and wealth management market. Another focus market is the UK, which is still the largest asset management market in the EMEA region, even after Brexit. Other focus markets are Germany, where Vontobel is continuing to generate profitable growth in the business with private and institutional clients, as well as Italy. In the future, Vontobel also wants to expand its business, especially with asset management clients, in established markets in the Asia Pacific region – primarily Japan and Australia – as well as in selected countries in Latin America.

Vontobel's long-term ambition for 2030 remains unchanged. To help achieve it, the company will focus on four priorities over the next two years:
1. Delivering future-proof investment solutions
2. Delivering best-in-class private client experiences
3. Accelerating our US growth
4. Scaling value creation

To offer an even more diversified range of future-proof investment solutions, Vontobel will further enhance the quality of its investment expertise in the coming years – especially in the area of equity products, with a particular emphasis on ESG, Impact and Thematics. As an active asset manager, Vontobel still sees opportunities in the current market environment. With inflation remaining at a high level, there is a need to find higher-returning investments in the area of fixed income, for example. The investment firm believes that deglobalization and the ongoing formation of geopolitical blocs will make investors more aware of country risks than before. Vontobel is well positioned with its diversified strategies. Further, the battle against climate change is opening up ESG-related investment opportunities. As an active asset manager, Vontobel offers investors the chance to profit from selected opportunities.

In addition, Vontobel will establish partnerships to give wealth management and digital investing clients access to private market investments in the future – thus also providing those clients with additional opportunities for diversification.

To deliver a best-in-class client experiences, Vontobel will offer wealth management and digital investing clients a fully hybrid service model with a range of options in the coming years – leveraging the experience that it has gained with volt by Vontobel. Vontobel views digitization first and foremost as a means of making investment expertise and products available to a larger client base rather than only to a small circle of clients, as was previously the case.

To maintain strong growth in the US, Vontobel will further expand its institutional business with Global Banks in the US and its business with North American wealth management clients seeking an account in Switzerland for diversification purposes. Vontobel aims to generate additional growth through product solutions that are tailored directly to the needs of financial intermediaries in the US.

The creation of value and the desire to achieve operational excellence are the foundations of sustainable success for every company. Vontobel will therefore continue to review its business model to identify scope for optimization and will make the necessary adjustments without losing sight of the direction it is taking. In this context, Vontobel will continue to focus primarily on organic growth and will make targeted use of M&A transactions as a means of driving additional, value-enhancing growth. Vontobel will pursue its capital-light business strategy and conservative risk profile. The investment firm will continue to systematically manage costs over the long term and thus maintain its strategic flexibility. This involves constantly reviewing costs and continuing to invest in selected strategic projects. Vontobel will deliver additional reductions in running costs, move ahead with strategic projects, increasingly pursue a more capital-light approach to business and maintain its strict focus on pricing excellence.

This is in line with Vontobel's ambitious growth and profit targets, which remain unchanged for the period to 2024: Vontobel wants to grow its business by 4–6 percent overall on an annual basis across the cycle. It has therefore set itself ambitious goals for annual growth in net new money, with a target range of 4–6 percent. Each year, it aims to generate a return on equity of at least 14 percent and, in the medium term, it wants to achieve a cost/income ratio of less than 72 percent across the cycle.

Ratios

	2022	2021	2020	2019	2018
Return on shareholders' equity (ROE) (%)[1]	11.2	18.8	13.3	14.2	13.0
Cost/income ratio (%)	78.4	69.1	74.1	75.6	76.5
Equity ratio (%)	6.6	6.4	6.0	6.9	6.5
Basel III leverage ratio (%)	5.0	4.9	4.6	5.2	4.9

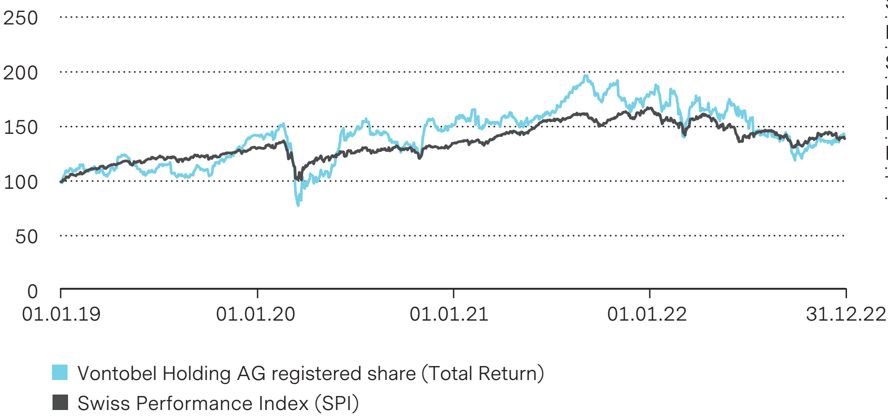
1 Group net profit as a percentage of average equity based on monthly figures, both without minority interests

Share data

	2022	2021	2020	2019	2018
Basic earnings per share (CHF)[1]	4.13	6.69	4.34	4.49	3.96
Diluted earnings per share (CHF)[1]	4.01	6.50	4.25	4.39	3.88
Equity per share outstanding at balance sheet date (CHF)	36.57	37.46	33.93	32.71	30.81
Dividend per share (CHF)[2]	3.00	3.00	2.25	2.25	2.10
Price/book value per share	1.7	2.1	2.1	2.1	1.6
Price/earnings per share	14.8	11.9	16.2	15.4	12.7
Share price at balance sheet date (CHF)	61.30	79.90	70.20	69.15	50.40
High (CHF)	84.85	89.70	74.90	69.70	76.05
Low (CHF)	50.70	66.55	36.12	49.72	49.60
Market capitalization nominal capital at balance sheet date (CHF M)	3,486.4	4,544.3	3,992.6	3,932.9	2,866.5
Market capitalization less treasury shares at balance sheet date (CHF M)	3,383.9	4,413.3	3,913.8	3,833.2	2,786.3
Undiluted weighted average number of shares	55,604,823	55,872,743	55,876,292	55,901,396	55,769,779

1 Basis: weighted average number of shares
2 Financial year 2022: As per proposal submitted to the General Meeting

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

	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
CET1 capital ratio (%)	16.7	16.6	13.8	13.5	12.3
CET1 capital (CHF M)	1,052.7	1,100.7	1,024.4	949.4	835.1
Tier 1 capital ratio (%)	23.8	23.4	19.8	19.9	18.9
Tier 1 capital (CHF M)	1,502.3	1,549.8	1,473.0	1,397.5	1,282.7
Risk-weighted positions (CHF M)	6,304.1	6,617.3	7,447.5	7,039.3	6,801.1

Risk ratio

CHF M	2022	2021	2020	2019	2018
Average Value at Risk market risk	7.5	6.4	9.5	6.2	6.1

Average Value at Risk 12 months for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Rating

	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3	Aa3	Aa3

Operating income by Client Unit / Center of Excellence

CHF M	2022	2021	2020		
Asset Management	456.6	594.1	514.6		
Wealth Management	645.8	633.7	549.7		
Digital Investing	185.7	315.9	183.5		
Centers of Excellence / Reconciliation	–3.1	–8.1	17.7		

Consolidated income statement

CHF M	2022	2021	2020	2019	2018
Operating income	1,285.1	1,535.6	1,265.5	1,261.9	1,157.8
Operating expense	1,017.7	1,068.4	944.5	955.2	881.6
Profit before taxes	267.4	467.2	321.0	306.7	276.2
Group net profit	229.8	383.8	259.4	265.1	232.2
of which allocated to the shareholders of Vontobel Holding AG	*229.8*	*373.8*	*242.7*	*251.0*	*220.7*
of which allocated to minority interests		*10.0*	*16.8*	*14.1*	*11.5*

Consolidated balance sheet

CHF M	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Total assets	30,509.2	32,397.9	31,422.4	26,240.3	26,037.3
Shareholders' equity (excl. minority interests)	2,018.6	2,068.9	1,891.6	1,813.3	1,703.5
Loans	7,462.3	7,102.5	6,378.6	5,046.2	4,904.6
Customer deposits	13,240.9	14,793.3	14,646.5	10,506.4	12,649.2

Clients assets

CHF B	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Assets under management	**204.4**	**243.7**	**219.6**	**198.9**	**171.1**
of which under discretionary management	*124.6*	*159.4*	*146.9*	*130.6*	*107.3*
of which under non-discretionary management	*79.8*	*84.3*	*72.8*	*68.2*	*63.8*
Other advised client assets	14.5	16.3	20.4	16.5	13.5
Structured products and debt instruments outstanding	7.7	8.1	8.2	10.7	7.9
Total advised client assets	**226.6**	**268.1**	**248.2**	**226.1**	**192.6**
Custody assets	27.9	28.6	64.0	62.3	54.7
Total client assets	**254.6**	**296.8**	**312.2**	**288.4**	**247.3**

Net new money

CHF B	2022	2021	2020	2019	2018
Net new money	–5.2	8.1	14.8	11.7	5.0

Personnel (full-time equivalents)

	31.12.2022	31.12.2021	31.12.2020	31.12.2019	31.12.2018
Number of employees Switzerland	1,801.1	1,694.8	1,640.5	1,636.8	1,662.2
Number of employees abroad	413.3	414.5	374.6	344.8	333.5
Total number of employees	**2,214.4**	**2,109.3**	**2,015.1**	**1,981.6**	**1,995.7**

Vontobel

A client-centric investment firm – clearly positioned for clients and investors

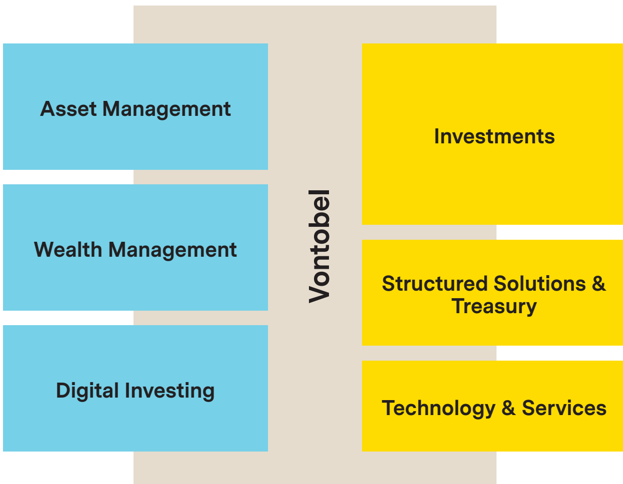
The demand for professional investment solutions and individually tailored expert investment advice is growing constantly across all client groups and sections of the population also as a means of addressing the increasing pension funding gap around the world. Following a prolonged phase of low interest rates, we are now once again confronted with the specter of inflation combined with rising interest rates, elevated uncertainty and heightened geopolitical tensions, which were present even before the outbreak of war in Ukraine. The investment environment is therefore very challenging and highly volatile. Investing is the new form of saving.

At the same time, the wishes and behavior of clients are evolving – due in particular to ever faster technological advances and the new opportunities they create. Today, investors expect individual solutions at any time, in any location: They want problems to be solved in a single click. Practices that are already part of the everyday client experience in large areas of the retail industry are now also increasingly visible in the financial sector.

At Vontobel, we want to actively seize the growth opportunities resulting from changes in the investment environment and evolving client behavior at an early stage. Our aim is to thus set ourselves apart from the competition – leading the way in terms of the quality of our performance and client experiences. Our stable shareholder structure has always allowed us to think and act long term. We are underscoring our commitment to taking the client's view with our exclusive focus on the buy-side business. This means that we are always on the side of the investor.

We are shaping our future direction based on our four strategic levers. ***Client-centric*** and ***investment-led*** are levers that are closely connected so that we can offer the best investment solutions that are tailored to client needs. Vontobel is convinced that client focus and investment expertise remain key to the success of our clients and the company. We want to anticipate the wishes of our clients so that we are always ready to deliver the right solutions. We are ***technology-enabled*** and intend to make even greater use of the power of technology. We could not achieve all this without our employees. We are ***powered by people*** because they make the difference in our industry – today and in the future.

Our goal is to enable each client to access the very best we can offer in terms of investment opportunities and services using the very latest technology. We create typical Vontobel client experiences that can compete with the offerings of leading digital companies. To achieve this, Vontobel not only invests in talents and technology but we also continuously develop the way we work together.



At Vontobel, our advisory expertise is bundled within the specialized Client Units ***Asset Management, Wealth Management*** and ***Digital Investing*** since August 1, 2021. Relationship managers within the Client Units can concentrate fully on meeting the wishes and needs of our clients

Asset Management focuses primarily on institutional clients such as pension funds, insurance companies and sovereign wealth funds, as well as third-party banks in the wholesale fund business. The concept of well-established asset-class specialization and the corresponding boutique structure of Investments are complemented by a regional focus in the area of client services. The provision of services to the Global Banks client group is coordinated globally to optimally address the growth potential in this area.

The ***Wealth Management*** team serves wealthy private clients. In addition, the expertise to serve External Asset Managers (EAMs) is integrated into Wealth Management. This allows clients with complex international asset structures to benefit from the advisory services used by institutional clients. The Wealth Management team also advises entrepreneurs and decision-makers from the SME segment on their personal financial needs. Its offering is complemented by technology-driven digital wealth management services for private and institutional clients.

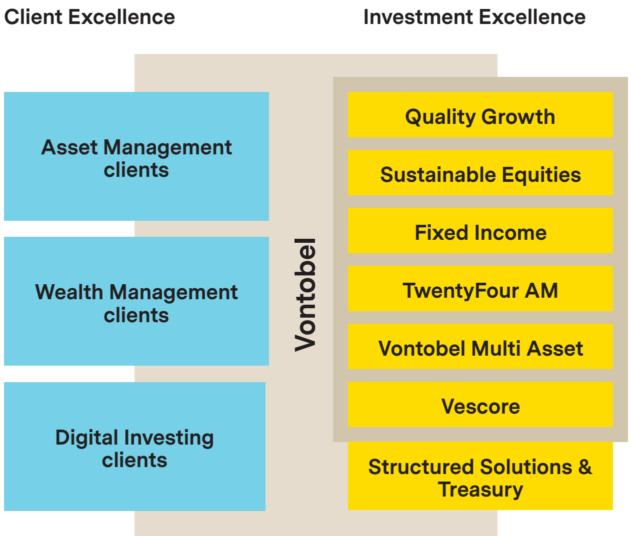
Digital Investing is the challenger unit whose competencies can be offered to broader client groups either directly or via ecosystems. This unit also focuses on the successful end-clients business with structured products. Platforms such as derinet, cosmofunding and Volt continue to operate in these areas, placing an emphasis on client needs.

All of Vontobel's Client Units have full access to our excellent investment and solutions expertise within our various Centers of Excellence. In these Centers, similar competencies are brought together in a single location to allow for the cross-fertilization of ideas in order to develop the best possible client solutions in the most effective way. Our ***Centers of Excellence*** are: Investments, Structured Solutions & Treasury, Technology & Services, Marketing & Analytics, Finance & Risk, Human Resources and Legal & Compliance.

Strategic importance of investments

Our proven, distinctive investment capabilities within our multi-boutique set-up are at the heart of our business model. For more than two decades, this has shown to be the ideal way to develop and protect outstanding investment approaches in a robust and replicable manner.

Client centric and investment-led approach



Vontobel has a very strong and well-diversified range of boutiques in which we have made targeted investments in recent years. We have around 300 specialists working in our investment hubs in Zurich, New York, London and other European cities, and increasingly also in Asia. They form the basis of our global investment expertise. Vontobel is convinced that the multi-boutique model is a promising approach and the right way forward. We will therefore continue to systematically pursue and expand this approach across all our investment teams, ensuring a high level of continuity.

Our commitment to active management, combined with our strong and stable shareholder structure, enables us to invest according to our convictions with a long-term horizon. We create value through our diverse, highly specialized teams who develop strategies and solutions in the asset classes Equities, Fixed Income and Multi Asset.

Our clients have benefited from our broad range of sustainable investment solutions since the 1990s. Vontobel is therefore one of the pioneers in this field. We have also established ourselves as a leader in Emerging Markets (EM) and rank among the largest European EM Managers in the areas of Equities and Fixed Income.

In the area of Structured Solutions & Treasury, we support our clients by supplying credit and arranging private placements and loans via cosmofunding, as well as through risk management and risk transformation. Our range of structured products forms part of this offering.

Leadership team for rapid, client-oriented decisions

All our units are connected by a flat management structure and integrated in a uniform performance evaluation system that is focused on the achievement of shared success for our clients. In this way, Vontobel is facilitating cooperation across businesses in a collaborative working environment. This fosters market-driven innovation, above-average organic growth and the development of disruptive business models.

Leadership Forums involving all Client Units and Investment Boutiques are held regularly to support collaboration across businesses.

The ***Global Executive Board*** is a platform for dialogue between our heads of the client units and centers of excellence to facilitate the agile development and management of Vontobel. It focuses primarily on the implementation of our strategy as well as on financial and operational matters. In line with our approach, responsibility for our shared success is widely shared and we draw on the knowledge of various experts.In addition to members of the Executive Committee, all Clients Units and Centers of Excellence are represented on the Global Executive Board.

The ***Global Client Forum*** serves as a kind of marketplace where client needs and product solutions meet. This is where client feedback is analyzed and used as the basis to develop appropriate solutions.

The ***Investment Performance Forum*** reviews product performance and defines performance expectations, as well as analyzing the robustness and quality of the investment process.

Vontobel's organic growth is based on our investment-led commitment and the fact that we have evolved into a pure-play wealth and asset manager with investment excellence at its core. The Investment Boutiques and the Center of Excellence Structured Solutions & Treasury are directly represented in the relevant Client and Performance Boards. This ensures that Vontobel's investment focus is firmly enshrined within the organization.

Global Executive Board (EB)

December 31, 2022

Zeno Staub[1,2]
CEO,
Head Investments

Georg Schubiger[2]
Head Wealth Management

Maria-Antonella Bino[1,2]
General Counsel,
Head Legal & Compliance

Marko Röder
Head Asset Management

Henry F. Detering
CMO,
Head Marketing & Analytics

Christel Rendu de Lint[3]
Deputy Head Investments

Thomas Heinzl[1,2]
CFO / CRO,
Head Finance & Risk

Markus Pfister[2]
Head Structured Solutions & Treasury

Caroline Knöri
Head Human Resources

Felix Lenhard[1,2]
COO,
Head Technology & Services

1 Member of the Executive Committee of Vontobel Holding AG
2 Member of the Executive Committee Bank Vontobel AG
3 Christel Rendu de Lint is Head Investments and Member of the Executive Committee of Vontobel Holding AG and Bank Vontobel AG as of January 13, 2023

Our Lighthouse Ambition 2030

As a long-term oriented investment firm, we have set our Lighthouse Ambition 2030: "By 2030, Vontobel will be known as one the leading and most trusted global investment firms."

By concentrating on this shared long-term goal, we can ensure that the entire Vontobel organization is working together and moving in the same direction.

The Ambition encompasses that by 2030, Vontobel will be recognized as one of the leading and most trusted global investment firms with an entirely client-centric organizational set-up. Our clients and investment processes will be supported by digital data and analysis. Content, data and artificial intelligence will be at the heart of what we do. Our work will center around investing and the solutions we create will be best-in-class for alpha, beta and also income products.

Priorities 2023–2024

To ensure the requisite degree of agility and flexibility, the firm operates towards the clear long-term vision in two-year sprints with concrete targets and business plans.

This approach based on focused and agile rolling two-year plans, ensure that our short- and medium-term efforts firmly aligne with our long-term Lighhouse Ambition 2030.

For the Period 2023–2024 the Board of Directors and the Executive Committee defined four Strategic priorities as outlined below.

Milestones on our way towards the Vontobel Lighthouse 2030

Strategic Priorities 2023–2024

1. Delivering future proof investment solutions

New regimes
Review, diversify and enhance our offering

Private markets
Acquire capabilities to tap a large and growing segment

Transition to sustainability
Expand our ESG offering and live our principles

Protect our margins and grow NNM from existing and new asset classes and strategies

2. Delivering best-in-class private client experiences

Personalization at scale
Develop mass-customized solutions

On-demand service models
Build a unified hybrid client service model

Strict market focus
Focus efforts on a strict set of developed markets

Acquire new clients and grow share of wallet and engagement

3. Accelerating our US growth

Strong regional hub
Prudently expand our US capabilities and footprint

Strengthen partnerships and distribution
Existing and new partners

Global banks
Deepen cooperation to maximize the distribution potential

Acquire new clients seeking international diversification and expertise

4. Scaling value creation

Capital efficiency
Strengthen cost management and capital allocation processes

Operational excellence
Continuously improve systems and processes

Talent development
Retain and develop the best talent

Improve cost, capital and process efficiency

Targets

Ambitious mid-term targets

Building on these strategic priorities, the Board of Directors and the Executive Committee have extended the ambitious through-the-cycle targets for growth, profitability, capital and dividends to 2024.

In specific terms, this means ***Vontobel*** wants to:

– ***Outgrow the market*** in all core activities with top-line growth and net new money growth of 4–6 percent p.a.

– Generate a higher ***return on equity*** of more than 14 percent, clearly exceeding the cost of capital; achieve a ***cost/income ratio*** of less than 72 percent

– Maintain a very strong ***capital position*** with a CET1 capital ratio of more than 12 percent and a total capital ratio of more than 16 percent

– Distribute profits not used for organic growth and M&A to shareholders, with a target ***payout ratio*** of more than 50 percent for shareholders

Top-line growth	
Operating income	4–6%
Net new money generation	
Net new money growth	4–6%
Earnings power	
Return on equity (ROE)	>14%
Efficiency	
Cost/income ratio	<72%
Capital strength	
BIS CET1 capital ratio	>12%
BIS total capital ratio	>16%
Dividend	
Payout ratio	>50%

Business review

Major geopolitical and economic uncertainty and weak financial markets in 2022
2022 was a period of significant challenges and uncertainties. Following a prolonged phase of low interest rates, we were once again confronted with the phenomenon of inflation, coupled with rising interest rates and high levels of uncertainty – even before the outbreak of war in Ukraine – and growing geopolitical tensions.

Against this backdrop, economic forecasts pointed to scenarios with a slowing economy impacted by inflation as well as an energy crisis during the winter months. We saw the rare phenomenon where share prices and bond prices fell simultaneously, experiencing a significant drop in value over the year as a whole, although equity markets began to recover somewhat from mid-October onwards. Meanwhile, prices for energy, especially crude oil and gas, soared. Measured by the MSCI World All Countries Total Return Index, global equity markets fell by 15.6 percent in local currencies. The performance of Swiss indices was similar, with the SMI down by 16.7 percent and the SPI falling by 16.5 percent. In the case of fixed income securities, both government bonds (JPM Global Government Bond Index –13.0 percent in US dollars) and corporate bonds (Bloomberg Global Aggregate Corporate Bond Index –16.7 percent in US dollars) came under selling pressure. During the year, the Swiss franc appreciated strongly against most major currencies apart from the US dollar and some Latin American currencies.

Maintaining a long-term focus…
In this challenging operating environment, Vontobel maintained its long-term focus on the generation of recurring income and consciously refrained from engaging in short-term market trends, in line with its conservative risk profile. Vontobel is positioned as a client-centric investment firm that consistently leverages its performance-oriented investment expertise and the power of technology for the benefit of its clients. Vontobel now ranks as one of the leading global financial experts specializing in wealth management and active portfolio management. The growing need to invest and the changing investment environment are creating long-term opportunities for growth that Vontobel is actively seizing. With its realignment as a global, client-centric pure-play investment firm in 2020, Vontobel set itself a clear goal: Our Lighthouse Ambition states that by 2030, Vontobel wants to be recognized as one of the leading and most trusted investment firms in all its markets. In November 2022, Vontobel confirmed its strategic positioning as part of its regular strategy process and remains committed to its ambitious growth and profit targets for 2023 to 2024, irrespective of the changes in the market environment. Further information on Vontobel's strategy and mid-term targets is provided on pages 8–9 and pages 12–17.

Vontobel continued to invest in new talent with new capabilities, as well as in future technologies, in 2022 in line with its long-term focus. We also strengthened our commitment to our focus markets. The acquisition of UBS' wealth management business for North American clients UBS Swiss Financial Advisers AG (SFA) that closed in August 2022 as part of Vontobel's long-term growth strategy in the US is progressing as planned. The legal and operational merger of the two entities to create Vontobel SFA is due to be completed by the end of the first half of 2023. Vontobel is today the largest Swiss-domiciled wealth manager for US clients seeking an account in Switzerland for diversification purposes.

Digital wealth management represented another focus topic in 2022. We have made targeted investments in digital solutions to take account of the growing client desire for hybrid advisory models combining personal and digital advice. We have created this type of platform with "volt by Vontobel" through which we offer both personal and digital investment advice and investment solutions.

…and generating a satisfactory result in a difficult market environment
The decrease in the asset base, which was driven by falling prices, and the normalization of client activities compared to the prior year led to a reduction in income in the Client Units. Operating income totaled CHF 1,285.1 million in the year under review, compared to CHF 1,535.6 million in 2021 (–16 percent). In view of the market environment, Vontobel delivered a satisfactory Group net profit of CHF 229.8 million, down by 40 percent from the record Group net profit of CHF 383.8 million in 2021. Pre-tax profit declined by 43 percent to CHF 267.4 million, with all three Client Units making a positive contribution to the result. Adjusted for one-off impacts, pre-tax profit totaled CHF 272.6 million in the year under review, a decrease of 43 percent compared to the adjusted pre-tax profit of CHF 476.3 million for 2021. One-off impacts in 2022 relate to the consolidation of SFA and totaled CHF 5.2 million. At constant exchange rates, pre-tax profit also decreased by 43 percent.

As an investment firm with a long-term focus, Vontobel is systematically pursuing the implementation of its mid-term strategy. It is also managing its costs with a long-term view to maintain its strategic flexibility. In 2022, Vontobel made further investments in strategic projects but also implemented measures to contain costs in response to deteriorating market conditions.

By adopting a sharper focus and leaner positioning, it expects to generate additional gross cost reductions of CHF 65 million by the end of 2023. Therefore we expect that in 2023 implementation costs of about CHF 15 million will arise.

In the short term, the cost base did not decrease to the same extent as income in the period under review. The cost/income ratio increased to 78.4 percent from 69.1 percent in the previous year. Adjusted for one-off operating impacts, the cost/income ratio increased from 68.5 percent to 78.0 percent. In the medium term, Vontobel is targeting a cost/income ratio of less than 72 percent.

In the year under review, Vontobel generated a return on equity of 11.2 percent on its strong capital base, which is below its mid-term target of 14 percent.

Vontobel's robust capital position is evidence of its stability and financial solidity. The CET1 ratio reached 16.7 percent at the end of 2022 (end 2021: 16.6 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, of 23.8 percent was slightly higher compared to the previous year (23.4 percent). The capital ratios continue to substantially exceed the regulatory minimum requirements including countercyclical buffer defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel. Our internal targets are a CET1 capital ratio of at least 12 percent and a total capital ratio of at least 16 percent.

The Board of Directors will propose a dividend of CHF 3.00 per share – unchanged compared to the previous year – to the General Meeting of Shareholders. This attractive dividend corresponds to a payout ratio of 73 percent for 2022 (compared to 45 percent in the record successful prior year).

Reduction in client assets due to price setbacks in financial markets

As a globally active investment firm specializing in wealth and asset management for private and institutional investors, as well as investment solutions, Vontobel has proven investment expertise that we deploy for the benefit of our clients in all market environments. We have around 300 investment experts who systematically follow their convictions, including in difficult environments, and they are always mindful of long-term investment objectives.

In the short term, however, the exceptional market conditions in 2022 left their mark on the development of assets under management, gross margins and net new money. Vontobel's assets under management totaled CHF 204.4 billion at the end of December 2022. The decrease of CHF 39.3 billion was primarily attributable to negative performance effects due to price losses in equity and bond markets. The negative inflow of net new money and negative overall currency effects also led to a reduction in the asset base.

Global client base

Over the last two decades, Vontobel has successfully established itself as a global investment firm that focuses on wealth management and active asset management. In the period from 2002 to 2022, it recorded almost a fivefold increase in assets under management from CHF 45.4 billion to CHF 204.4 billion.

Today, 56 percent of assets under management originate from outside Vontobel's Swiss home market – primarily from the target markets of Germany, the UK, Italy and North America, as well as the Asia Pacific region (APAC), Latin America (LATAM), Middle East and Africa (MEA). However, Vontobel is also well established in its Swiss home market with a presence in 11 locations. Clients domiciled in Switzerland account for CHF 90.7 billion of assets under management. This underscores the high level of trust that clients in our home market place in Vontobel.

We will continue to pursue an active strategy to enable us to achieve growth outside as well as within Switzerland. With its strategic positioning in its focus markets, Vontobel today has access to more than 80 percent of global wealth that requires professional investment management. In the future, we will place an even stronger focus on large, established markets that are characterized by their substantial numbers of sophisticated clients whom Vontobel can help to realize their objectives – drawing on its global investment expertise.

Client assets by client domicile as of December 31, 2022

CHF B	ASSETS UNDER MANAGEMENT	OTHER ADVISED CLIENT ASSETS	STRUCTURED PRODUCTS AND DEBT INSTRUMENTS	TOTAL ADVISED CLIENT ASSETS	CUSTODY ASSETS	TOTAL CLIENT ASSETS
Home market	**90.7**	**4.1**	**5.5**	**100.3**	**25.2**	**125.4**
Switzerland[1]	*90.7*	*4.1*	*5.5*	*100.3*	*25.2*	*125.4*
Focus markets	**95.2**	**8.1**	**2.2**	**105.5**	**2.8**	**108.3**
Germany	*20.5*	*7.1*	*2.2*	*29.8*		*29.8*
UK	*19.0*	*0.5*		*19.5*		*19.5*
Italy	*12.0*	*–0.0*		*12.0*		*12.0*
North America	*18.1*	*0.1*		*18.2*		*18.2*
Focus APAC[2]*, LATAM, MEA*	*25.6*	*0.4*		*26.0*	*2.8*	*28.8*
Other markets	**18.6**	**2.3**	**0.0**	**20.8**	**0.0**	**20.8**
Total	**204.4**	**14.5**	**7.7**	**226.6**	**27.9**	**254.6**

1 Including Liechtenstein
2 Singapore, Hong Kong SAR, Australia and Japan

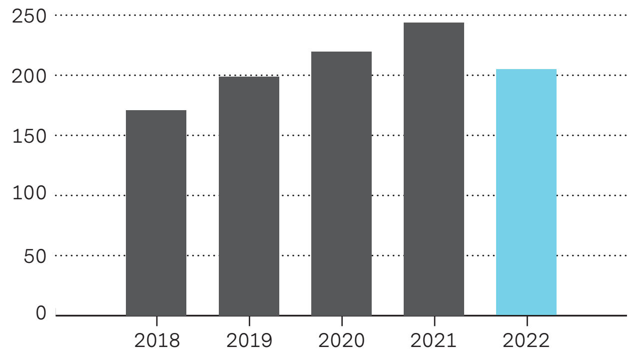
In addition to its Swiss home market, Vontobel has defined five focus markets. They include the US, the world's largest asset and wealth management market. Another focus market is the UK, which is still the largest asset management market in the EMEA region. Other focus markets are Germany, where Vontobel is continuing to generate profitable growth in the business with private and institutional clients, as well as Italy. In the future, Vontobel also wants to expand its activities in established markets in the Asia Pacific region – primarily Japan and Australia – as well as in selected countries in Latin America.

Development of assets under management

CHF B	31.12.2022	31.12.2021
Asset Management	107.2	142.9
Wealth Management	92.6	95.8
Digital Investing	0.5	0.8
Centers of Excellence / Reconciliation	4.0	4.3
Total assets under management	**204.4**	**243.7**

At the end of 2022, the volume of assets under management entrusted to Vontobel was CHF 204.4 billion, a decrease of 16 percent compared to December 31, 2021, driven mainly by the fall in prices in financial markets. The decrease in the assets under management of our wealth management clients, who continued to act very cautiously in the current market environment, was moderate by comparison, declining by 3 percent to CHF 92.6 billion compared to the end of 2021. The assets of the former UBS Swiss Financial Advisers AG (SFA), which total CHF 6.2 billion, are also included for the first time. In Asset Management, assets under management decreased from CHF 142.9 billion to CHF 107.2 billion, after increasing strongly in previous years.

Assets under management
CHF B



The total reduction in assets under management of CHF 39.3 billion compared to the end of 2021 reflects:
- Net new money of CHF –5.2 billion
- Negative market effects of CHF –36.9 billion
- Negative currency effects of CHF –3.4 billion
- Other impacts of CHF +6.2 billion (primarily consolidation of UBS SFA)

Assets under management consist of 52 percent institutional assets held in Asset Management and 46 percent private client assets held in the Wealth Management and Digital Investing Client Units, while 2 percent are allotted to the Centers of Excellence and reconciliation.

Development of net new money

CHF B	2022	2021
Asset Management	–10.6	1.9
Wealth Management	5.4	5.6
Digital Investing	–0.0	0.1
Centers of Excellence / Reconciliation	–0.0	0.6
Total net new money	**–5.2**	**8.1**

Since February 2022, institutional investors have generally reduced risks – especially in the case of actively managed assets – and they have tended to defer reinvestments to the future. This is reflected by the flow of client assets.

In the course of 2022, the business with asset management clients recorded net outflows of CHF 10.6 billion, which were not offset by the broad-based growth in Wealth Management.

In Asset Management, multi-asset products attracted continued inflows, while the equities and fixed income boutiques recorded net outflows.

Wealth management clients entrusted us with CHF 5.4 billion of net new money in 2022, with all focus markets contributing to this positive development.

In Wealth Management, growth in net new money therefore reached 5.6 percent, and in Asset Management it was negative at –7.4 percent.

In total, net new money was CHF –5.2 billion, corresponding to negative growth of –2.1 percent.

Assets under management by investment category

IN %	31.12.2022	31.12.2021
Swiss equities	18	19
Foreign equities	29	33
Bonds	34	34
Alternative investments	2	2
Liquid assets, fiduciary investments	13	11
Other[1]	3	1

1 Including structured products and debt instruments

The slight shifts in the structure of assets under management by investment category in the year under review were mainly attributable to market declines, which was among others reflected by the sharp fall in prices in equity markets. Consequently, the allocation to equities decreased to 47 percent, while the allocation to bonds and liquidity holdings increased slightly.

Assets under management by currency

IN %	31.12.2022	31.12.2021
CHF	30	27
EUR	21	21
USD	32	31
GBP	6	6
Other	12	15

Our investment expertise is geared towards our international client base – as shown by our broadly diversified allocation of assets under management in terms of currencies. A total of 30 percent of assets under management comprise investments in Swiss francs. The proportion of investments in euros, US dollars and British pounds was almost unchanged compared to the end of 2021, while investments in other currencies decreased slightly.

Structure of the income statement

	2022 CHF M	2022 IN %[1]	2021 CHF M	2021 IN %[1]
Net interest and dividend income	101.4	8	61.3	4
Net fee and commission income	833.8	65	974.8	63
Trading income	338.4	26	493.3	32
Other income	11.5	1	6.2	0
Total operating income	**1,285.1**	**100**	**1,535.6**	**100**
Personnel expense	655.9	51	734.7	48
General expense	248.2	19	225.4	15
Depreciation of property, equipment (incl. software) and intangible assets	103.3	8	100.4	7
Provisions and losses	10.4	1	7.9	1
Total operating expense	**1,017.7**	**79**	**1,068.4**	**70**
Profit before taxes	**267.4**	**21**	**467.2**	**30**
Taxes	37.5	3	83.4	5
Group net profit	**229.8**	**18**	**383.8**	**25**

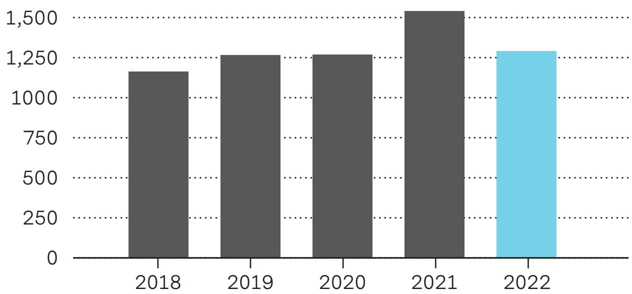
1 Share of operating income

Reduction in operating income due to falling markets and normalization of trading business

Vontobel generated operating income of CHF 1,285.1 million in 2022, down 16 percent compared to the prior year (CHF 1,535.6 million). Compared to 2020 (CHF 1,265.5 million), however, this corresponds to a slight increase of 2 percent.

As a globally active investment firm, Vontobel generated 65 percent of its operating income from the commission business, of which 90 percent comprised recurring income. Compared to the prior year, which saw very strong trading income, the proportion of commission income increased from 63 to 65 percent, while net interest income after credit losses increased to 8 percent of operating income (2021: 4 percent). Market volatility had a significant impact on Vontobel's volume of assets under management. As a result, net fee and commission income decreased by 14 percent to CHF 833.8 million compared to 2021. The reduction in assets under management of an average of 7 percent led to lower advisory and management fees of CHF 868.3 million, compared to CHF 999.2 million in the prior year, while custody fees declined by 10 percent to CHF 208.6 million. Brokerage fees – also part of net fee and commission income – fell by 17 percent to CHF 80.7 million compared to the prior year.

Operating income
CHF M



After reaching an exceptionally high level in 2021, trading income normalized again to CHF 338.4 million, a decrease of 31 percent compared to the previous year. Compared to 2020, however, trading income grew slightly (+9 percent). Vontobel's trading income mainly comprises income from the issuing, hedging and market making of structured products and warrants – represented by the total in "Securities" and "Other financial instruments at fair value" as per note 3 on page 159. In the year under review, these activities contributed CHF 299.9 million (–32 percent versus 2021) to trading income. Income from forex and precious metals trading declined by 26 percent to CHF 38.4 million.

Rising interest rates, increased loans to clients and, in addition, efforts to further optimize the management of the bank's balance sheet by Treasury while maintaining a conservative risk profile, led to a 65 percent increase in net interest and dividend income to CHF 101.4 million. Other income increased from CHF 6.2 million to CHF 11.5 million due primarily to the sale of shares in participations.

60 percent of our income is generated in foreign currencies, with a large proportion in US dollars. Compared to 2021, the US dollar strengthened against the Swiss franc by an average of 4 percent, while the euro and the British pound weakened against the Swiss franc. These effects more or less balanced each other out. At constant exchange rates, the impact on operating income would have been negligible.

Wealth Management delivers robust result – broad-based business model proves effective once again
Operating income in Wealth Management totaled CHF 645.8 million, up 2 percent compared to the previous year. From August 1, 2022, this figure includes income from the former UBS SFA, which totaled CHF 13.9 million. Vontobel has made targeted investments in the expansion of its Wealth Management offering and in important growth initiatives in the past and will continue to do so going forward. In Wealth Management, the gross margin was 71 basis points, in line with the previous year (70 basis points).

In the business with Asset Management clients – Vontobel's second earnings driver – we generated operating income of CHF 456.6 million in 2022, compared to CHF 594.1 million in the prior year. This was primarily driven by lower assets under management and the fact that performance fees were largely absent. Asset Management achieved a gross margin of 37 basis points (2021: 42 basis points).

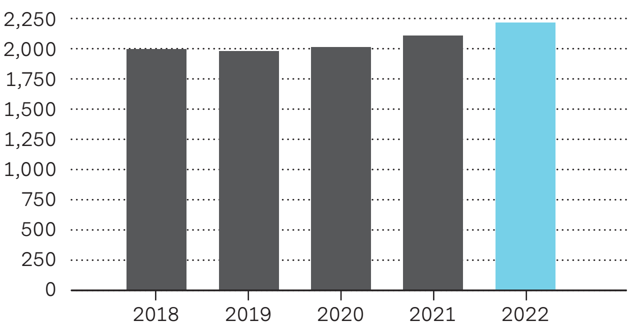
In 2022, the demand for leverage products among our private clients in the Digital Investing business normalized again from the extremely high level seen in 2021. Vontobel therefore generated operating income of CHF 185.7 million in this area (2021: CHF 315.9 million; 2020: CHF 183.5 million). cosmofunding, the digital platform for private placements and loans for Swiss companies and public-sector is also part of Digital Investing. With a traded volume of CHF 9.7 billion cosmofunding achieved strong growth in 2022 and has further digitalized the value chain of the credit offering. Higher interest rates have had a positive effect on the business. In total, cosmofunding has issued CHF 23.1 billion in private placements and loans since October 2018.

Operating income by Client Unit / Center of Excellence

CHF M	2022	2021
Asset Management	456.6	594.1
Wealth Management	645.8	633.7
Digital Investing	185.7	315.9
Centers of Excellence / Reconciliation	–3.1	–8.1

Decrease in operating expense due to variable components of personnel expense
Vontobel is systematically pursuing its mid-term growth strategy without losing sight of costs. We take a smart approach to managing costs and investments – especially in the areas of technology and new talents – in accordance with our goals, while always considering the market environment. In 2022, we continued to invest in strategic projects while taking measures to contain costs in view of the deteriorating market conditions. Vontobel's operating expense was CHF 1,017.7 million in 2022, down 5 percent compared to the previous year. This reduction was attributable to lower personnel expense of CHF 655.9 million, which decreased by 11 percent compared to 2021 due to lower variable compensation. However, average headcount (full-time equivalents) was 6 percent higher than in the prior year.

Headcount
full-time equivalents



While personnel expense decreased, general expense rose by 10 percent to CHF 248.2 million (2021: CHF 225.4 million). This increase was due to ongoing investments to ensure that Vontobel remains competitive and close to its clients in the future, which were mainly reflected in higher IT and telecommunications costs. Further, business travel increased again following the end of corona-related restrictions.

The cost/income ratio was 78.4 percent and was therefore above Vontobel's own mid-term target of less than 72 percent and also exceeded the very good ratio of 69.1 percent in the previous year.

Depreciation of property, equipment and intangible assets of CHF 103.3 million was 3 percent higher than in the previous year, as planned. The volume of capital expenditure on property, equipment and software reached CHF 98.9 million in the year under review, with a large proportion of the expenditure once again focusing on digitization projects.

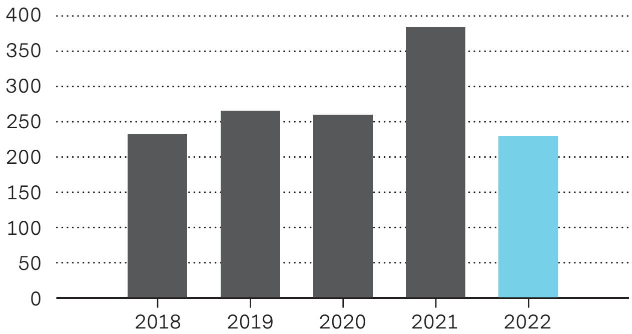
Decrease in pre-tax result
Pre-tax profit decreased by 43 percent to CHF 267.4 million compared to the record prior year. The result for 2022 included one-off impacts due to the consolidation of UBS Swiss Financial Advisers AG (SFA) in the amount of CHF 5.2 million. The prior year was impacted by effects related to the full acquisition of TwentyFour Asset Management as well as changes in Swiss pension fund regulations.

Reconciliation of reported to adjusted profit before taxes

CHF M	2022	2021
Profit before taxes	**267.4**	**467.2**
Acquisition of 100% of TwentyFour Asset Management		24.6
Change in Pension Schemes Switzerland		–15.5
Integration costs SFA	5.2	
Profit before taxes on an adjusted basis	**272.6**	**476.3**

Group net profit totaled CHF 229.8 million in 2022, a decline of 40 percent (2021: CHF 383.8 million). Tax expense decreased by 55 percent. This reduction was primarily attributable to differences in the development of profits at individual Group companies. The tax rate of 14.0 percent was therefore below the prior year (17.9 percent).

Group net profit
CHF M



Since the full acquisition of TwentyFour Asset Management at the end of June 2021, the allocation of profit to minority interests has ceased (2021: CHF 10.0 million). The reduction in earnings per share to CHF 4.13 (2021: CHF 6.69) was therefore more muted (–38 percent).

The Board of Directors will propose an unchanged dividend of CHF 3.00 per share, corresponding to a payout ratio of 73 percent (2021: 45 percent), to the General Meeting of Shareholders.

Vontobel selectively pursues a capital-light growth strategy with a conservative risk profile – in terms of both organic and inorganic growth. In a challenging environment in 2022, Vontobel generated a return on equity of 11.2 percent (2021: 18.8 percent).

Balanced impact of currency movements

Changes in the value of the Swiss franc have a structural impact on Vontobel, given its positioning as an investment firm with an international client base and strong roots in its Swiss home market. Compared to 2021, the net impact of currency effects on income and costs reported in Swiss francs in the year under review was balanced.

Based on constant exchange rates, pre-tax profit was CHF 267.4 million. The US dollar strengthened against the Swiss franc by an average of 4 percent, while other major currencies such as the euro weakened against the Swiss franc by 7 percent. 40 percent of income is generated in Swiss francs, followed by 30 percent in US dollars and 16 percent in euros. On the cost side, the Swiss franc is the dominant currency, accounting for 76 percent of expenses, while the euro accounted for 9 percent and the US dollar 8 percent of expenses.

Structure of income statement by currency

IN %	2022	2021
Operating income		
CHF	40	43
EUR	16	14
USD	30	31
GBP	9	8
Other	5	4
Operating expense		
CHF	76	77
EUR	9	8
USD	8	8
GBP	3	4
Other	3	3

Conservative risk management and continued comfortable capital position

Vontobel remains committed to a conservative risk management approach. At CHF 7.5 million, the average Value at Risk in 2022 was slightly higher than the figure for 2021 (CHF 6.4 million). This increase was primarily due to higher Value at Risk in the "Interest rates" category, including credit spreads, due to the changed interest rate environment.

Value at Risk (VaR)

CHF M	2022	2021
Equities	4.8	5.6
Interest rates	8.9	2.6
Currencies	1.6	2.5
Commodities	0.4	0.2
Diversification effect	–8.2	–4.5
Total	**7.5**	**6.4**

Average Value at Risk (12 months) for positions of Vontobel.
Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

At the end of 2022, risk-weighted positions were 5 percent lower compared to December 31, 2021. For this reason – and despite the acquisition of UBS Swiss Financial Advisers AG (SFA), which was fully funded with cash from Vontobel's balance sheet – the CET1 capital ratio increased slightly to 16.7 percent at the end of 2022 (end of 2021: 16.6 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, rose to 23.8 percent (end of 2021: 23.4 percent). The capital ratios continue to substantially exceed the regulatory minimum requirements including countercyclical buffer defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel.

Vontobel's very solid capital position is also reflected by the equity ratio of 6.6 percent and a leverage ratio under Basel III of 5.0 percent. Shareholders' equity decreased slightly to CHF 2.0 billion, down by 2 percent compared to the end of 2021. Furthermore, Vontobel's balance sheet is highly liquid, with a liquidity coverage ratio averaging 168.0 percent in the second half 2022.

At the end of 2022, risk-weighted positions totaled CHF 6,304.1 million, down 5 percent from the end of 2021. Positions for operational risk increased by 7 percent in connection with the general business expansion over the last three years. Positions for credit risks decreased by 17 percent, mainly reflecting the higher quality of collateral provided for lombard loans as well as a further shift of treasury assets into higher-quality securities. There was also an overall decrease of in risk-weighted positions for market risk due to lower trading activities

Of total risk-weighted positions of CHF 6,304.1 million at the end of 2022 (December 31, 2021: CHF 6,617.3 million), 33 percent related to credit risks, 20 percent to market risks and 41 percent to operational risks. 6 percent of risk-weighted positions comprised non-counterparty related risks.

Risk-weighted positions

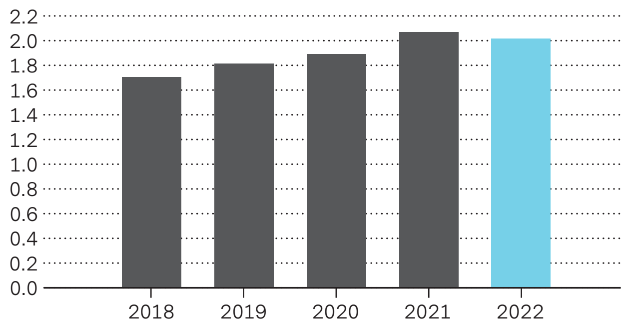
CHF M	31.12.2022	31.12.2021
Credit risks	2,058.3	2,486.8
Non-counterparty related risks	383.9	377.3
Market risks	1,280.0	1,343.5
Operational risks	2,581.8	2,409.7
Total	**6,304.1**	**6,617.3**

Shifts in consolidated balanced mainly reflect new interest rate environment

Total assets decreased by 6 percent to CHF 30.5 billion compared to the end of 2021. In view of the changed interest rate environment, Treasury took measures on the assets side of the balance sheet. Loans to customers increased by a further 5 percent to CHF 7.5 billion. In contrast, trading portfolio assets as well as liquid assets decreased significantly, while the position “Other financial assets at fair value” increased by 88 percent to CHF 8.3 billion. Due from banks also rose by 72 percent to CHF 1.6 billion.

Shareholders’ equity

CHF B



Liabilities declined by CHF 1.8 billion to CHF 28.5 billion from CHF 30.3 billion, mainly due to lower customer deposits, which decreased to CHF 13.2 billion from CHF 14.8 billion and lower “Other financial liabilities at fair value”, which declined by CHF 1.1 billion to CHF 10.1 billion. These effects primarily reflected the higher interest rate environment and lower client trading activity.

Corporate Governance

Corporate Governance

Vontobel is committed to the responsible, values-oriented management and control of the company. Corporate governance is a central factor determining the success of our business. It is an essential prerequisite to achieve our strategic corporate goals and create lasting value for our shareholders and all other stakeholders.

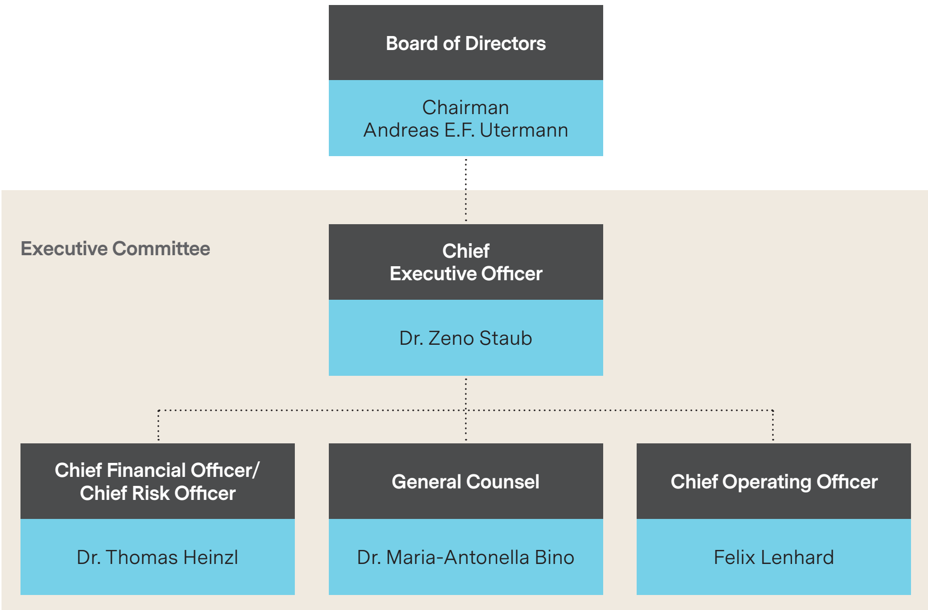
The core elements of our corporate governance are:
1. A clearly defined, balanced division of responsibilities between the Board of Directors and the Executive Committee;
2. The protection of shareholder interests;
3. The provision of transparent information to the public.

The Articles of Association of Vontobel Holding AG, the Business and Organizational Regulations and the Minutes of the General Meeting of Shareholders are available on the Internet (www.vontobel.com/agm).

SIX Swiss Exchange AG issued a "Directive on Information relating to Corporate Governance". The following information meets the requirements of this Directive (in the version of June 18, 2021, which entered into force on October 1, 2021) for the year under review and takes into account the SIX Guideline (in the version of April 10, 2017). If information required by the Directive is published in the Notes to the financial statements, a reference indicating the corresponding section of the Notes is given. The changes to the Directive that apply from January 1, 2023, will be implemented for the first time in the reporting year 2023.

Group structure and shareholders

Structure of Vontobel as of December 31, 2022



The most important Group companies that are to be consolidated (scope of consolidation) are listed in the Notes to the consolidated financial statements on page 220 together with details of the company name, registered office, share capital, stock exchange listing and the interest held by the Group.

Since June 1, 2021, and in the year under review, respectively, the Executive Committee consisted of: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO / CRO), Dr. Maria-Antonella Bino (General Counsel) and Felix Lenhard (COO).

Dr. Christel Rendu de Lint has been a member of the Executive Committee since January 13, 2023. As of January 13, 2023, the Executive Committee comprises: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO / CRO), Dr. Maria-Antonella Bino (General Counsel), Felix Lenhard (COO) and Dr. Christel Rendu de Lint (Head Investments).

Major shareholders and groups of shareholders with pooled voting rights (audited information)

	31.12.2022		31.12.2021	
	NOMINAL CHF M	SHARE IN %	NOMINAL CHF M	SHARE IN %
With voting rights on share capital of CHF 56.875 M of Vontobel Holding AG				
Advontes AG	6.1	10.6	6.1	10.6
Vontrust AG (holding company of the Vontobel family shareholders)	8.1	14.3	8.1	14.3
Vontobel Foundation	8.5	14.9	8.5	14.9
Pellegrinus Holding AG (charitable foundation Corvus)[1]	2.7	4.7	2.7	4.7
Further shares of a family member	3.6	6.3		
Further shares in the extended pooling agreement			3.6	6.3
Total voting rights on share capital	**28.9**	**50.9**	**28.9**	**50.9**

1 Usufruct including voting right held by Pellegrinus Holding AG, ownership held by Vontobel Foundation

Information on the disclosure notifications concerning significant shareholders of the company in accordance with the Swiss Financial Market Infrastructure Act can be found on the SIX Swiss Exchange AG website at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html

Shareholder pooling agreement

Between August 2017 and December 6, 2022, a shareholder pool, consisting of a core pool and an extended pool of shareholders, was in place and held a combined total of 50.9 percent of votes. As of December 7, 2022, the member of the extended pool joined the core pool and the extended pool was dissolved. Only the core pool remains, and its members thus continue to hold 50.9 percent of the votes. The corresponding notification about the change made in 2022 can be found at: www.ser-ag.com/de/resources/notifications-market-participants/significant-shareholders.html

The shareholder pool's members comprise: The Vontobel Foundation and Pellegrinus Holding (total of 19.6 percent of votes), the family holding company Vontrust AG (14.3 percent of votes), the family holding company Advontes AG (10.6 percent of votes) and one family member (6.3 percent of votes). The pool imposes restrictions on the transfer of shares and grants pre-emptive rights in favor of the members.

The shares bound in the pool are subject to a vote pooling requirement and votes have to be cast at the General Meeting of Shareholders of Vontobel Holding AG in accordance with the preceding resolutions of the shareholder pool. The earliest possible date for termination of the pool is the end of 2026. Vontobel Holding AG and its executives are not members of the shareholder pool.

Registered shareholders as of December 31, 2022

	NUMBER OF SHAREHOLDERS	IN %	NUMBER OF SHARES	IN %
Natural persons	6,734	93.6	13,769,952	24.2
Legal persons	463	6.4	34,414,904	60.5
Unregistered shares [1]			8,690,144	15.3
Total	**7,197**	**100.0**	**56,875,000**	**100.0**

1 Of which 1.67 million shares (2.9%) owned by Vontobel Holding AG and its subsidiaries

Cross shareholdings
No cross shareholdings exceeding 5 percent of capital or voting rights exist between Vontobel Holding AG or its subsidiaries and other corporations.

Capital structure

Capital
The share capital of Vontobel Holding AG amounted to CHF 56,875,000 as of December 31, 2022. The registered shares of Vontobel Holding AG (security no. 1 233 554, ISIN CH001 233 554 0) are listed on SIX Swiss Exchange and are included in the Swiss Performance Index SPI®. Further information on the composition of capital can be found in the Notes to the consolidated financial statements, note 26.

Details of conditional and authorized capital
Details of conditional and authorized capital can be found in the Notes to the consolidated financial statements, note 26.

Changes in capital
Information on the composition of capital, changes in capital during the past two years and authorized capital is given in the Statement of Equity and in the Notes to the consolidated financial statements, note 26.

For information on earlier periods, please refer to the relevant Annual Reports (2020: note 27, and 2021: note 27, www.vontobel.com/financial-reporting).

Shares and participation certificates
The share capital of Vontobel Holding AG is divided into 56,875,000 fully paid-in registered shares with a par value of CHF 1.00 each. Vontobel Holding AG does not have any outstanding participation certificates.

Profit-sharing certificates
Vontobel Holding AG does not have any outstanding profit-sharing certificates.

Restrictions on transferability and nominee registrations in the share register
This information is provided in the "Shareholders' participatory rights" section on page 49.

Convertible bonds and options
There were no convertible bonds outstanding as of December 31, 2022. To partially finance the acquisition of Notenstein La Roche Privatbank AG, Vontobel Holding AG issued a CHF 450 million Additional Tier 1 bond with a coupon of 2.625 percent in June 2018. Further information is provided in note 23.

The volume of the entire share capital recorded for outstanding structured products and options amounts to net 0 shares (previous year: 0 shares). This means that option rights issued by Vontobel amounting to 0 percent (previous year: 0 percent) of share capital were outstanding on December 31, 2022. No conditional capital would be used to hedge these option rights as they would be hedged through market transactions.

Board of Directors

Members of the Board of Directors as of December 31, 2022

NAME	FUNCTION	NATIONALITY	COMMITTEE MEMBERSHIP[1]	INITIAL ELECTION	TERM EXPIRES
Andreas E.F. Utermann	Chairman	British/German		2021	2023
Bruno Basler	Vice-Chairman	Swiss	NCC[2]	2005	2023
Dr. Maja Baumann	Member	Swiss	RAC	2016	2023
Dr. Elisabeth Bourqui	Member	Swiss/French/Canadian	RAC	2015	2023
David Cole	Member	US/Dutch	RAC[2]	2016	2023
Dr. Michael Halbherr	Member	Swiss	NCC	2021	2023
Stefan Loacker	Member	Austrian	RAC	2018	2023
Clara C. Streit	Member	German/US	NCC	2011	2023
Björn Wettergren	Member	Swiss/Swedish	NCC	2016	2023

1 Further information on the Committees is provided below under "Internal organization"
NCC: Nomination and Compensation Committee
RAC: Risk and Audit Committee
2 Chair

RETIREMENT IN 2022
Herbert J. Scheidt

Herbert J. Scheidt stepped down as a member and as Chairman of the Board of Directors on April 6, 2022, upon reaching the age limit set out in the Business and Organizational Regulations. He has been a member of the Vontobel Advisory Council since May 1, 2022 (see page 246). Andreas E.F. Utermann was elected as Chairman of the Board of Directors at the General Meeting of Shareholders 2022 on April 6, 2022. He was a member of the Risk and Audit Committee until the General Meeting of Shareholders 2022. Dr. Elisabeth Bourqui was a member of the Nomination and Compensation Committee until the General Meeting of Shareholders 2022 and has been a member of the Risk and Audit Committee since April 7, 2022.

No member of the Board of Directors of Vontobel Holding AG exercised any operational management functions for the company or any of its subsidiaries in the year under review. Any previous executive functions are detailed below. Herbert J. Scheidt performed the function of CEO of Vontobel until May 3, 2011, when he was elected as Chairman of the Board of Directors of Vontobel Holding AG. He had a seat on the Board of Directors of Helvetia Holding AG until April 28, 2017, as part of Vontobel's cooperation with Helvetia. Stefan Loacker was a member of the Board of Trustees of the Vontobel Foundation until his election as a member of the Board of Directors of Vontobel Holding AG at the General Meeting of Shareholders 2018. As of December 31, 2022, the majority of members of the Board of Directors of Vontobel Holding AG met the independence criteria prescribed in the FINMA Circular 2017/1 "Corporate governance – banks" margin no. 17–22. They are: Andreas E.F. Utermann, Bruno Basler, Dr. Elisabeth Bourqui, David Cole, Dr. Michael Halbherr, Stefan Loacker and Clara C. Streit.

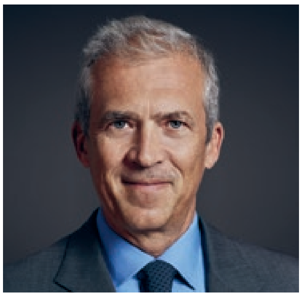
Dr. Maja Baumann and Björn Wettergren are members of the Vontobel and de la Cour families. They are members of the governing bodies of the majority shareholders and have participations in family holding companies.

Other activities and functions

For information on other activities and functions performed by the members of the Board of Directors, refer to their curricula vitae on page 34.

Rules in the Articles of Association governing the number of permitted activities

Article 25 of the Articles of Association of Vontobel Holding AG states that no member of the Board of Directors may perform more than nine additional mandates outside Vontobel, of which no more than four additional mandates may be performed in listed companies. Additionally, a member of the Board of Directors may perform up to ten mandates in not-for-profit or charitable legal entities outside Vontobel. The provisions set out in the applicable Business and Organizational Regulations also apply (refer to www.vontobel.com/agm).



Andreas E.F. Utermann
Chairman of the Board of Directors (since April 2022)

Born 1966,
British and German citizen

Member of the Board of Directors since 2021

Education
M.A. (Econ.), Katholieke Universiteit Leuven, Leuven, Belgium
B.A. (Econ.), London School of Economics, London, UK
ASIP, CFA Society of the UK, London, UK
Certified Banker, Deutsche Bank AG, Dortmund, Germany

Professional background
2002–2019 Allianz Global Investors Group, London, UK
- 2016–2019 CEO
- 2012–2015 Co-Head and Global CIO
- 2002–2011 Global CIO, Equities
- 2002–2011 Co-Head, Global CIO, RCM

1989–2002 Merrill Lynch Investment Manager, London, UK
Most recently: Global Head and Chief Investment Officer, Equities

Mandates
- Governor, Birkbeck, University of London, London, UK
- Trustee, FT Financial Literacy and Inclusion Campaign, London, UK
- Governor, North London Collegiate School for girls, London, UK

Bruno Basler
Vice-Chairman of the Board of Directors and Chairman of the Nomination and Compensation Committee

Born 1963,
Swiss citizen

Member of the Board of Directors since 2005

Education
Degree in Civil Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
MBA INSEAD, Fontainebleau, France

Professional background
Since 1994 EBP Schweiz AG and EBP Global AG, Zurich, Switzerland
- Since 2001 Chairman of the Board of Directors
- 1994–2001 Delegate of the Board of Directors

1992–1994 McKinsey & Company, Switzerland

1989–1991 Holinger AG, Baden, Switzerland

Mandates
- Chairman of the Board of Directors of EBP Schweiz AG and EBP Global AG, Zurich, Switzerland
- Member of the Board of Directors of NorthStar Holding AG, Roggwil, Switzerland
- Vice-Chairman of the Board of Directors of Baumann Federn AG, Rüti, Switzerland
- Chairman of the Monique Dornonville de la Cour Foundation, Zurich, Switzerland

Dr. Maja Baumann
Member of the Board of Directors and Member of the Risk and Audit Committee

Born 1977,
Swiss Citizen

Member of the Board of Directors since 2016

Education
Dr. iur., lawyer, University of Zurich, Switzerland
LL.M. in Corporate Law, New York University, USA
Certified Specialist SBA in Real Estate and Construction Law
CAS in Banking, Capital Markets and Insurance Law, University of Zurich, Switzerland

Professional background
Since 2020	SwissLegal Zurich AG and SwissLegal Schwyz AG, Zurich and Pfäffikon, Canton of Schwyz, Switzerland Partner (Corporate, Contract and Property Law)
2014–2020	REBER Rechtsanwälte, Zurich, Switzerland Partner (Corporate, Contract and Real Estate Law)
2009	Bank Vontobel AG, Zurich, Switzerland Compliance, Internal Audit, Corporate Finance
2007–2014	Lenz & Staehelin, Zurich and Geneva, Switzerland Senior Associate (Corporate, Banking, Contract and Real Estate Law)
2006–2007	Covington & Burling LLP, New York, USA Foreign Associate (Corporate and M&A)

Mandates
- Chairwoman of the Board of Directors of SwissLegal Zurich AG and SwissLegal Schwyz AG, Zurich and Pfäffikon, Canton of Schwyz, Switzerland
- Chairwoman of the Board of Directors of Advontes AG, Pfäffikon, Canton of Schwyz, Switzerland
- Member of the Board of Directors of Vontrust AG, Zurich, Switzerland
- Member of the Board of Directors of Swisspearl Group AG, Niederurnen, Switzerland
- Member of the Board of Directors of GRAPHA-Holding AG, Hergiswil, Switzerland
- Member of the Foundation Board of Vontobel Foundation, Zurich, Switzerland
- Chairwoman of the Zoo Foundation Zurich, Zurich Switzerland

Dr. Elisabeth Bourqui
Member of the Board of Directors and Risk and Audit Committee (since April 2022)

Born 1975,
Swiss, French and Canadian citizen

Member of the Board of Directors since 2015

Education
Dr. sci. math, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
Dipl. math, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background
Since 2019	BERG Capital Management, Lausanne, Switzerland CEO and Co-Founder
2018–2019	CalPERS, Sacramento, California, USA Chief Operating Investment Officer
2012–2018	ABB Group, Zurich, Switzerland 2014–2018 Head of Group Pension Management 2012–2014 Head Pension Asset Management
2009–2012	Mercer, Montreal, Canada Principal Head National Funds Group Canada
2004–2009	Société Générale, New York, USA / Montreal, Canada Responsibilities included: Director Risk Management, Structuring, New Products Director Asset and Liabilities Management Head Institutional Derivatives Sales Canada
1998–2004	Credit Suisse Group, Zurich, Switzerland Various Risk Management functions

Mandates
- Member of the Board of Directors of Banque Cantonale Neuchateloise, Neuchatel, Switzerland
- Member of the Foundation Board of Greenbrix Investment Foundation, Lucerne, Switzerland
- Chairwoman of the Board of Directors of Helsana HealthInvest AG, Dübendorf, Switzerland
- Member of the Board of Directors of the Swiss-Japanese Chamber of Commerce, Zurich, Switzerland
- Member of the Board of Trustees of the Louis Jeantet Foundation, Geneva, Switzerland
- Member of the Supervisory Board of Athora Netherlands N.V., Amstelveen, Netherlands

David Cole
Member of the Board of Directors and Chairman of the Risk and Audit Committee

Born 1961,
US and Dutch citizen

Member of the Board of Directors since 2016

Education
Bachelor of Business Administration, University of Georgia, US
International Business Program, Nyenrode Universiteit, Netherlands

Professional background

2010–2018	Swiss Reinsurance Ltd., Zurich, Switzerland	
	2014–2018	Group Chief Financial Officer
	2010–2014	Group Chief Risk Officer
1984–2010	ABN AMRO Holding, Netherlands, US and Brazil	
	2008–2010	Chief Financial Officer Netherlands
	2008	Chief Risk Officer Netherlands
	2006–2008	Head Group Risk Management Netherlands
	1984–2006	Various functions

Mandates
- Chairman of the Supervisory Board of IMC B.V., Amsterdam, Netherlands
- Chairman of the Supervisory Board of NN Group, The Hague, Netherlands
- Member of the Board of Directors of COFRA Holding AG, Zug, Switzerland

Dr. Michael Halbherr
Member of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1964,
Swiss citizen

Member of the Board of Directors since 2021

Education
Master of Electrical Engeneering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Doctor of Philosophy (Ph.D.), Electrical Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background

Since 2015	Investor in and advisor to young international technology companies as well as Member of the Boards of Directors
2011–2014	Nokia HERE, Berlin, Germany CEO and Member of the Nokia Leadership Team
2006–2011	Nokia, Berlin, Germany Vice President and Member of the Nokia Services Leadership Team
2001–2006	gate5 AG, Berlin, Germany CEO
2000–2001	Europatweb, Group Arnault, Munich, Germany Managing Director and Member of the europatweb Leadership Team
1995–2000	The Boston Consulting Group, Boston, USA Manager and Member of the Strategic Planning Group
1991–1995	Research Associate und Post-Doctoral Student, Boston, US Computer Science and Artificial Intelligence Laboratory, MIT

Mandates
- Member of the Boards of Directors of Zurich Insurance Company Ltd. and Zurich Insurance Group Ltd., both Zurich, Switzerland
- Chairman of the Board of Directors of ABB E-mobility Holding AG, Baden, Switzerland
- Chairman of the Supervisory Board of German Bionic Systems, Augsburg, Germany
- Chairman of Nanoleq Ltd., Rümlang, Switzerland

Stefan Loacker
Member of the Board of Directors and Member of the Risk and Audit Committee

Born 1969,
Austrian citizen

Member of the Board of Directors since 2018

Education
lic. oec., University of St. Gallen, Switzerland
Mag. rer. soc. oec., University of Economics and Business, Vienna, Austria

Professional background

Since 2016	DELOS Management GmbH, Speicher, Switzerland Chairman and Owner
2007–2016	Helvetia Group, St. Gallen, Switzerland CEO
2005–2007	Helvetia Austria, Vienna, Austria CEO
2002–2005	ANKER Insurance AG, Vienna, Austria CFO / Chief IT Officer
2000–2002	Helvetia Patria Insurance, St. Gallen, Switzerland Head of Corporate Development
1997–2000	Helvetia Patria Insurance, St. Gallen, Switzerland Head of CEO Office / Corporate Development

Mandates
- Member of the Board of Directors of Swiss Life AG and Swiss Life Holding AG, Zurich, Switzerland
- Member of the Board of Directors of SWICA, Winterthur, Switzerland
- Member of the Executive Committee of the Institue of Insurance Economics at the University of St. Gallen, Switzerland

Clara C. Streit
Member of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1968,
German and US citizen

Member of the Board of Directors since 2011

Education
lic. oec., University of St. Gallen, Switzerland

Professional background

1992–2012	McKinsey & Company	
	2003	Elected as Senior Partner Responsibilites at McKinsey included: Chair Global Principal Candidate Evaluation Committee Partner responsible for EMEA recruiting Head of Financial Institutions Practice Germany / Austria
	1998	Elected as Partner

Mandates
- Member of the Supervisory Board of Deutsche Börse AG, Frankfurt, Germany
- Member of the Supervisory Board of Vonovia SE, Bochum, Germany
- Member of the Board of Directors of Jerónimo Martins SGPA, SA, Lisbon, Portugal
- Chair of the Government Commission on the German Corporate Governance Code, Frankfurt am Main, Germany (from March 2023)

Björn Wettergren
Member of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1981,
Swiss and Swedish citizen

Member of the Board of Directors since 2016

Education

MBA, University of St. Gallen, Switzerland
M. Eng. Mechanical Engineering, Lund University, Sweden

Professional background

Since 2018	Mojo Capital SA, Luxembourg Growth Partner
Since 2018	Cagson Analytics AG, Zurich, Switzerland Founder
Since 2013	Cagson AG, Baar, Switzerland Founder
2012–2017	etventure, Zurich, Switzerland Associate & Partner
2007–2012	Bank Vontobel AG, Zurich, Switzerland 2010–2012 Group Services, Project Manager 2009–2011 Asset Management, Portfolio Management 2007–2009 Investment Banking, Models & Tools Developer

Mandates

- Member of the Board of Directors of Vontrust AG, Zurich, Switzerland
- Vice-Chairman of the Board of Directors of the Swedish-Swiss Chamber of Commerce, Zurich, Switzerland
- Chairman of the Board of Directors of Cagson AG, Baar, Switzerland
- Chairman of the Board of Directors of Cagson Analytics AG, Zurich, Switzerland

Election and term of office

In accordance with statutory provisions, the Chairman of the Board of Directors and all other members of the Board are elected individually by the General Meeting of Shareholders.

The Chairman of the Board of Directors and the other members of the Board are elected for one year, with their term of office ending at the conclusion of the next General Meeting of Shareholders. The members of the Board of Directors may be re-elected.

Votes are held at Ordinary General Meetings for members seeking re-election or for the election of new members. However, if the number of members of the Board of Directors falls below three as a result of death, resignation or dismissal, an Extraordinary General Meeting must be convened within a reasonable period so that replacement members can be elected. If the post of Chairman of the Board of Directors becomes vacant, the Board of Directors appoints a new Chairman for the remainder of the term of office.

The Compensation Committee, which is governed by the Articles of Association, forms part of the Nomination and Compensation Committee according to the Business and Organizational Regulations. The members of the Compensation Committee are elected by the General Meeting of Shareholders from among the members of the Board of Directors, each for a term of one year ending at the conclusion of the next General Meeting of Shareholders. The General Meeting of Shareholders elects the members of the Compensation Committee individually. They may be re-elected. If one or more individuals cease to be members of the Compensation Committee or if the Compensation Committee is not complete, the Board of Directors may make appointments to the Compensation Committee from among its own members for the period until the conclusion of the next General Meeting of Shareholders.

Except for the election of the Chairman of the Board of Directors and the election of the members of the Compensation Committee, the Board of Directors is self-constituting. The Board of Directors also appoints the Chairman of the Compensation Committee/Nomination and Compensation Committee (NCC), and of the Risk and Audit Committee (RAC).

The Business and Organizational Regulations stipulate that members of the Board of Directors are required to step down from their function at the General Meeting of Shareholders in the calendar year in which they reach the age of 70. Further information regarding the year in which the individual members of the Board of Directors were first elected can be found in the table "Members of the Board of Directors as of December 31, 2022" on page 33.

The General Meeting of Shareholders elects the independent proxy for a term that ends at the conclusion of the next Ordinary General Meeting. The independent proxy may be re-elected. If the company does not have an independent proxy, the Board of Directors shall appoint one for the period ending at the conclusion of the next General Meeting of Shareholders.

Internal organization

Board of Directors

The Board of Directors appoints a Vice-Chairman from among its own members. The Chairman of the Board of Directors appoints a Secretary, who need not be a shareholder or a member of the Board of Directors. The Board of Directors meets at the invitation of its Chairman or of the Secretary, acting on behalf of the Chairman, as often as required for business purposes – generally once or twice a quarter but at least four times a year. The meetings usually last around eight hours. A total of seven meetings were held during the year under review (in February, April, June, July, August, October and November); this included one two-day strategy meeting. Several preparatory calls were also held.

The Board of Directors shall constitute a quorum when the absolute majority of its serving members is present. A quorum is not required in order for the Board of Directors to pass a resolution on capital increase reports or for resolutions that have to be officially authenticated. Board resolutions and appointments are decided by the absolute majority of the members present. In the event of a tied vote, the chairman of the meeting casts the deciding vote. Resolutions may also be passed by circular letter, which may involve the use of electronic tools, provided no member calls for a verbal consultation on the matter. This procedure may only be used for routine matters, matters that have already been discussed in detail by the Board of Directors, and urgent issues that cannot wait until the next meeting of the Board of Directors.

The Board of Directors may delegate some of its duties to committees. In the year under review, the standing committees were: The Nomination and Compensation Committee (NCC) and the Risk and Audit Committee (RAC). Their duties and powers are defined in the Articles of Association and in internal regulations. Information on the composition of the individual committees can be found in the table "Members of the Board of Directors as of December 31, 2022" on page 33. The Chairman of each committee informs the Board of

Directors about the committee's activities at the next meeting of the Board of Directors. When necessary, ad hoc committees are formed to deal with specific topics, such as mergers and acquisitions projects.

The Board of Directors has established a new committee, the Investment Oversight Committee, as of January 1, 2023. With the Investment Oversight Committee, the Board of Directors has implemented an appropriate institutional framework for the assumption of its fiduciary supervisory duties as the most senior governing body of the investment firm Vontobel. The new committee is headed by the Chairman of the Board of Directors Andreas E.F. Utermann. The other members are the Board members Dr. Elisabeth Bourqui and Björn Wettergren.

Nomination and Compensation Committee (NCC)
The Business and Organizational Regulations state that the Compensation Committee, which is governed by the Articles of Association, forms part of the Nomination and Compensation Committee, which is comprised of at least three non-executive members.

The Nomination and Compensation Committee has the following duties and powers in respect of compensation matters relating to the Board of Directors and the Executive Committee:

(a) Developing and regularly reviewing the compensation system for the members of the Board of Directors and the Executive Committee and submitting it to the Board of Directors in order for a resolution to be passed on this matter;
(b) Monitoring compliance with the compensation principles of the company and the Group and informing the Board of Directors about the compensation policy and compensation matters;
(c) Submitting proposals to the Board of Directors for a resolution regarding the maximum aggregate compensation (fixed and performance-related compensation) of the Board of Directors and the Executive Committee and the proposal of a corresponding motion to the General Meeting of Shareholders by the Board of Directors;
(d) Submitting proposals to the Board of Directors for the motion that will be proposed to the General Meeting of Shareholders by the Board of Directors regarding amendments to compensation-related provisions in the Articles of Association;
(e) Preparing the Compensation Report and presenting it to the Board of Directors in order for a resolution to be passed on this matter;
(f) Within the framework of the requirements set out in the Articles of Association defining detailed regulations governing participation-based compensation (share participation plan), defining the applicable objectives and evaluating the achievement of those objectives;
(g) Taking note of the promotion of all employees at all Vontobel companies.

The Nomination and Compensation Committee also prepares all important personnel and related organizational matters for the Board of Directors. In particular, this includes the human resources strategy, share participation plans, the compensation policy, recommendations for the appointment or removal of the CEO, the other members of the Executive Committee, or the Head of Internal Audit, as well as for the approval of the appointment of Heads of Client Units and Heads of Centers of Excellence. In addition, the Nomination and Compensation Committee determines the compensation paid to the CEO and other members of the Executive Committee (within the scope of – or subject to – the approval of aggregate compensation by the General Meeting of Shareholders as set out in the Articles of Association).

The Nomination and Compensation Committee takes note of the compensation, including any special payments and expenses, of external (non-Vontobel) members of the Boards of Directors of the subsidiaries. It also considers all management-related matters and regulations that affect aggregate compensation in a broader sense (insurance benefits, holiday entitlement, expenses, etc.).

The Executive Committee may submit proposals to the Nomination and Compensation Committee on all matters that fall within the Committee's remit with the exception of the compensation paid to members of the Board of Directors. The Chairman of the Board of Directors regularly attended the meetings as a guest in the year under review. Meetings of the Nomination and Compensation Committee are also attended by the Chief Executive Officer (CEO) and occasionally also by the Head of the Human Resources Center of Excellence. The Nomination and Compensation Committee meets at least three times a year. The meetings usually last around four hours. A total of four meetings were held during the year under review (in February, June, October and November).

Risk and Audit Committee (RAC)
The Risk and Audit Committee monitors and assesses the institution-wide Risk Management Framework, the integrity of financial statements, the internal control system (ICS), and the effectiveness of Internal Audit and the audit firm, as well as their interaction.

This entails the following specific duties:

1. Critical analysis of financial statements (individual and consolidated financial statements, as well as annual and interim financial statements); discussion of financial statements with the CFO/CRO, the lead auditor from the audit firm and the Head of Internal Audit; submission of a report to the Board of Directors and issuing of recommendations regarding motions to be proposed to the General Meeting of Shareholders.
2. Planning, monitoring and evaluating the existence, appropriateness and effectiveness of the internal control system (ICS). This comprises the ICS in the area of financial reporting as well as the ICS beyond financial reporting, including 1st and 2nd Line of Defence control activities; the RAC ensures that the ICS is adapted in the event of any significant changes to Vontobel's risk profile.
3. Receiving and reviewing the periodic consolidated risk reports for submission to the Board of Directors.
4. Approval of the risk analysis, planning and reporting produced by Internal Audit for submission to the Board of Directors; analysis and discussion of audit results and the implementation of recommendations; assessment of the appropriateness of resources and expertise as well as independence, objectivity and quality; maintaining regular contact with the Head of Internal Audit.
5. Assessment of the risk analysis and planning of the audit firm; analysis of its audit reports and discussions with the lead auditor; verification that any deficiencies have been addressed and that recommendations made by the audit firm have been complied with; evaluation of its performance and fees and verification of its independence and quality; assessment of interaction between the audit firm and Internal Audit.
6. Preparation of the activities of the Board of Directors in respect of regulations governing structured products, treasury, lending to professional counterparties, lending to private and institutional clients, operational risks, management transactions, ad hoc publicity, Group compliance, consolidated supervision and the institution-wide Risk Management Framework, as well as any other regulations issued by the Board of Directors in connection with the institution-wide Risk Management Framework.
7. Periodic review of the institution-wide Risk Management Framework to determine its appropriateness and effectiveness, including the approval of the combined Group-wide stress tests together with the scenarios used and the relevant methods, as well as the approval of the detailed results of those stress tests.
8. Submitting proposals to the Board of Directors to obtain approval of decisions reached by the Executive Committee regarding new products, business activities, markets or outsourcing if they have a significant impact on Vontobel's risk profile.

In this context, regular contact is maintained with representatives of management, Internal Audit, the audit firm and relevant specialist units within Vontobel. The Risk and Audit Committee may conduct special reviews or studies on important issues and request additional internal and / or external resources in consultation with the Chairman of the Board of Directors. In addition, the Chairman of the Risk and Audit Committee may assign special mandates to individual members of the Committee.

The Risk and Audit Committee meets at least three times per year. The meetings usually last four to eight hours. A total of six meetings were held during the year under review (in February, April, June, July, November and December).

As of December 31, 2022, the majority of members of the Risk and Audit Committee met the independence criteria prescribed by supervisory law. Meetings of the Risk and Audit Committee are attended by the CEO, the CFO / CRO and representatives of Internal Audit and the audit firm. Further, the Head of the Legal & Compliance Center of Excellence (General Counsel) as well as the corresponding Vontobel specialists – particularly from the Finance & Risk Center of Excellence and the Legal & Compliance Center of Excellence – are regularly invited to attend meetings when topics within their area of expertise are discussed.

Attendance of meetings of the Board of Directors and the Committees in 2022

	BOARD OF DIRECTORS	RISK AND AUDIT COMMITTEE (RAC)	NOMINATION AND COMPENSATION COMMITTEE (NCC)
Number of meetings			
Andreas E.F. Utermann	7	1	Guest
David Cole	6	6	
Bruno Basler	6		4
Dr. Maja Baumann	7	6	
Dr. Elisabeth Bourqui	6	5	1
Dr. Michael Halbherr	6.5		4
Stefan Loacker	7	6	
Herbert J. Scheidt	1	1 (Guest)	1 (Guest)
Clara C. Streit	7		4
Björn Wettergren	7		4

Internal Audit

Vontobel's Internal Audit function performs the internal audit duties assigned to it. Internal Audit reports directly to the Board of Directors and supports it in fulfilling its legally defined supervisory and monitoring duties.

The Board of Directors defines organizational aspects of Internal Audit, as well as its duties and powers, in the "Internal Audit Charter". In particular:

- Internal Audit provides independent audit and advisory services for the assessment and improvement of risk management, internal control systems and controls;
- Internal Audit's mandate encompasses all Vontobel companies;
- Risk-based planning is approved by the Board of Directors at the request of the Risk and Audit Committee. This planning includes resourcing that is aligned with the relevant scope, complexity and risk profile;
- The audit reports produced by Internal Audit are submitted to the Risk and Audit Committee, the Chairman of the Board of Directors, the CEO, the CFO/CRO, the General Counsel, the COO, responsible management units and the corresponding governing bodies of subsidiaries; In addition, the audit firm receives all audit reports from Internal Audit;
- The Risk and Audit Committee, the Board of Directors and the Executive Committee take note of the activity report produced by Internal Audit; in addition, the audit firm receives the activity report;
- The implementation of improvement measures is verified, and the status of these efforts is reported on a half-yearly basis as part of the activity report;
- The Board of Directors, the Risk and Audit Committee or the CEO (with the consent of the Chairman of the Board of Directors or the Chairman of the Risk and Audit Committee) may request that special audits be performed by Internal Audit;
- Internal Audit has an unlimited right of inspection and information;
- Internal Audit operates a quality assurance and improvement program that comprises internal and external assessments;
- Internal Audit regularly attends meetings of the Risk and Audit Committee;
- Its audit activities are based on the guidelines issued by the Institute of Internal Auditors (IIA), which were declared binding by the Swiss Financial Market Supervisory Authority (FINMA);
- Internal Audit coordinates its activities with the audit firm in accordance with professional standards and guidelines.

Division of powers and responsibilities

Board of Directors

The Board of Directors of Vontobel Holding AG is responsible for the overall direction of Vontobel and exercises supervision and control over the operational management team unless prescribed otherwise by legislation, the Articles of Association or the Business and Organizational Regulations. The division of powers and responsibilities between the Board of Directors and the Executive Committee is set out in the Business and Organizational Regulations of Vontobel Holding AG (www.vontobel.com/agm).

In particular, the Board of Directors discharges the following duties and has the following powers:

1. Overall direction of the holding company and of Vontobel and issuing the necessary directives – particularly through the approval and periodic revision of the Mission Statement and the strategy of the holding company and for Vontobel;
2. Defining the organizational structure of the holding company and of Vontobel (including the creation/discontinuation or restructuring of Client Units and

Centers of Excellence), and issuing and amending the Business and Organizational Regulations and the 'Approval Authorities';

3. Determining the principles for accounting, financial control (internal control system (ICS) in the area of financial reporting) and financial planning for the holding company and for Vontobel to the extent that is required for the management of the company. This includes the approval of the annual budget, annual targets, capital planning including refinancing planning, and medium-term planning as the multi-year income and capital expenditure planning for various scenarios within the operating environment. This also includes the approval of the combined Group-wide stress test results and measures to ensure that risk exposures and risk capacity are adequately aligned as part of capital planning;
4. Appointing or removing the CEO, the other members of the Executive Committee and the Head of Internal Audit, as well as approving the appointment of the Heads of Client Units and Centers of Excellence by the CEO; the Board of Directors shall base its decisions on the recommendations of the Nomination and Compensation Committee when discharging this duty;
5. Overall supervision and control of individuals with responsibility for the conduct of business – particularly to ensure compliance with legislation and regulatory requirements, as well as with the Articles of Association, regulations and directives of the holding company and of Vontobel;
6. Reporting to shareholders and, in particular, producing the Annual Report and the Compensation Report;
7. Preparing the General Meeting of Shareholders and implementing the motions approved by shareholders;
8. Issuing, regularly reviewing and monitoring compliance with the institution-wide Risk Management Framework (including the ICS in the area of financial reporting as well as the ICS beyond financial reporting), the regulations governing structured products, treasury, lending to professional counterparties, lending to private and institutional clients, operational risks, management transactions and ad hoc publicity, as well as regulations governing Group compliance, internal audit and consolidated supervision. The Board of Directors is assisted by the Risk and Audit Committee (RAC) when discharging this duty. The Board of Directors may issue further regulations;
9. Receiving consolidated risk reporting;
10. Issuing a human resources strategy for Vontobel at the request of the CEO; the Board of Directors takes account of the recommendations of the Nomination and Compensation Committee when discharging this duty;
11. Appointing or removing individuals entrusted with representing the holding company (and particularly the conduct of business) and determining their signatory powers. The principle of joint signatory powers (dual authorization) applies;
12. Monitoring and evaluating Internal Audit and periodically verifying that it has the appropriate resources and expertise as well as the necessary independence and objectivity to conduct its audit function within the institution. Further details are defined in the regulations governing Internal Audit; the Risk and Audit Committee assists the Board of Directors in discharging this duty;
13. Selecting the statutory auditors and proposing the motion for the election of the statutory auditors to the General Meeting of Shareholders; receiving the risk analysis, planning and reporting produced by the audit firm and reviewing them periodically; the Risk and Audit Committee assists the Board of Directors in discharging this duty;
14. Deciding on strategic initiatives in the area of information technology (IT);
15. Notifying the court and FINMA in the event of over-indebtedness;
16. Drawing up a capital increase report and implementing the corresponding amendments to the Articles of Association (Art. 652g of the Swiss Code of Obligations);
17. Appointing an interim Chairman of the Board of Directors, interim members of the Compensation Committee and the independent proxy ad interim for the period ending at the conclusion of the next General Meeting of Shareholders if the position of Chairman of the Board of Directors, of members of the Compensation Committee or of the independent proxy becomes vacant in the course of the year;
18. Purchase or sale of real estate by the holding company and subsidiaries in the amount of CHF 5 million or more if not included in the budget, or in the amount of CHF 10 million or more if included in the budget;
19. Each item of capital expenditure, including those made by subsidiaries, in the amount of CHF 10 million or more;
20. Approving the following transactions:

(a) Acquisition or disposal of participations by the holding company and subsidiaries;
(b) Establishment or dissolution of subsidiaries as well as any branch offices and representative offices of subsidiaries;
(c) Raising of loans by the holding company and the subsidiaries;

(d) Issuing or authorization of secured and unsecured loans, bonds or guarantees by subsidiaries, where this duty falls within the remit of the Board of Directors of the holding company according to applicable lending regulations;
(e) Approval of decisions by the Executive Committee relating to new products, business activities, markets, as well as outsourcing, if they have a significant impact on Vontobel's business policy or risk profile;
(f) Initiation of legal proceedings or filing of appeals, conclusion of composition agreements, settlement or recognition of lawsuits where the value in dispute exceeds CHF 10 million;
(g) Election of members of the Board of Directors of Bank Vontobel AG, Zurich; the Chairman and the other members of the Board of Directors of Vontobel Holding AG are permitted to occupy a seat on the bank's most senior governing body;
(h) Conclusion or termination of strategically important cooperation agreements and approval of important strategic projects;
(i) Approval of external mandates held by members of the Executive Committee;
(j) Approval of (i) the promotion of employees to the rank of Managing Director in all Vontobel companies, and (ii) the promotion of the Head of Internal Audit;
(k) Approval of gestures of goodwill (measures without any legal obligation) and receiving reports on cases involving losses (out-of-court proceedings) exceeding CHF 1 million;

21. Annual evaluation of the achievement of the Board of Directors' objectives and of its working practices;
22. Other matters which, by law or pursuant to the Articles of Association or the Business and Organizational Regulations, fall exclusively within the remit of the Board of Directors.

Executive Committee

The Executive Committee is Vontobel's executive body that reports to the Board of Directors. It is composed of the CEO, the CFO/CRO, the General Counsel and the Head of the Technology & Services Center of Excellence (COO), as well as further Heads of individual Client Units (CU) and/or Centers of Excellence (CoE), whom the Board of Directors has designated as members of the Executive Committee.

The Executive Committee meets as often as business dictates – generally on a monthly basis but at least nine times per year. Where sensible and necessary, the Executive Committee can invite the Heads of Client Units and Centers of Excellence or other experts to attend meetings. These individuals support the Executive Committee in the preparation of its decisions, acting in a purely advisory capacity.

The Executive Committee shall constitute a quorum if the absolute majority of its members is present. Members who, in exceptional cases, attend meetings by telephone or video-conference are deemed to be present.

The Executive Committee operates as a committee under the leadership of the CEO. Decisions are reached by way of a majority of votes represented at the meeting. In the event of a tied vote, the CEO has the final say. Each member of the Executive Committee has the right to inform the Chairman of the Board of Directors about differences of opinion on important topics.

The Executive Committee may pass its resolutions by circular letter, which may involve the use of electronic tools, provided that no member calls for a verbal consultation on the matter.

The Executive Committee generally reports to the Board of Directors through the CEO. In the case of delegated duties or powers, the Executive Committee reports to the relevant committee of the Board of Directors. The CEO informs the Board of Directors about the current performance of the business and significant business incidents. The CEO coordinates the flow of information to the Board of Directors and within operational areas. The Executive Committee has a duty to provide information to the Board of Directors.

The Executive Committee is responsible for all Vontobel matters that do not expressly fall within the remit of the Board of Directors of Vontobel Holding AG or of a subsidiary according to legislation, the Articles of Association or the Business and Organizational Regulations.

In particular, the Executive Committee is responsible for the following duties:
(a) Developing a Group-wide business strategy for presentation to the Board of Directors;
(b) Implementing decisions that were reached by the Board of Directors;
(c) Monitoring the execution of these decisions;
(d) Managing and supervising Vontobel's daily operations, which must be conducted in accordance with its financial planning, annual budget, annual targets, capital planning including refinancing planning, and medium-term planning as the multi-year income and capital expenditure planning for various scenarios regarding the operating environment, as well as the institution-wide Risk Management Framework, and must also comply with the other guidelines and instructions issued by the Board of Directors;
(e) Managing income and the balance sheet structure;

(f) Ensuring compliance with legal and regulatory requirements as well as applicable industry standards;
(g) Developing the institution-wide Risk Management Framework; the Executive Committee submits this framework to the Risk and Audit Committee for approval by the Board of Directors and regularly reviews the framework and submit its findings to the Board of Directors;
(h) Implementing the Institution-wide Risk Management Framework, particularly through governance of the risk architecture, the basic aspects of risk responsibility, risk management and risk controls; in particular, this includes the organization of the internal control system (ICS), while ensuring the necessary separation of powers and functions; the implementation of the Institution-wide Risk Management Framework also involves the regular execution and analysis of stress tests as well as the analysis of risk capacity;
(i) Consolidated risk reporting to the Board of Directors and the Risk and Audit Committee;
(j) Issuing directives to representatives of the holding company regarding the exercising of voting rights at the General Meeting of Shareholders of the subsidiaries;
(k) For all subsidiaries with the exception of Bank Vontobel AG, Zurich: Appointing or removing members of the Boards of Directors and other governing bodies;
(l) For all subsidiaries: Issuing instructions regarding the appointment or removal of the Executive Committee, the CEO as well as the heads of branches.

The Executive Committee generally submits proposals regarding all matters that require a decision to be reached by the Board of Directors. The CEO presents the proposals on behalf of the Executive Committee at meetings of the Board of Directors. Subject to the approval of the Chairman of the Board of Directors, the CEO may also appoint another member of the Executive Committee, a Head of a Client Unit / Center of Excellence, or another expert to discharge this duty.

The Executive Committee has the authority to decide on the following matters (unless they are subject to the approval of the Board of Directors, in which case this is expressly stated in the Business and Organizational Regulations):
(a) Formulating and proposing Vontobel's annual budget and annual targets – broken down by Client Units and Centers of Excellence – for approval by the Board of Directors;
(b) Decisions on new products, business activities or markets (including digital products and / or services) as well as outsourcing; if this matter will have a significant impact on Vontobel's business policy, the Executive Committee refers the matter to the Board of Directors directly; if the matter will have a significant impact on Vontobel's risk profile, the Executive Committee obtains the approval of the Board of Directors through the Risk and Audit Committee;
(c) Ensuring that a professional investment policy is permanently in place and is implemented promptly throughout the Group;
(d) Issuing policies that apply to the whole of Vontobel and that fall exclusively within the remit of the Executive Committee according to legal provisions, the Articles of Association or the Business and Organizational Regulations; issuing policies relating to the Compliance function, credit and counterparty risk, and asset and liability management (ALM), which apply to individual Client Units or Centers of Excellence;
(e) Granting loans in accordance with the powers defined in the lending regulations;
(f) Issuing of private placements;
(g) Assumption of trading positions on own account within the defined limits; the Executive Committee delegates the permissible limits to the responsible business areas and units within Vontobel;
(h) Initiation of legal proceedings or filing of appeals, conclusion of composition agreements, settlement or recognition of lawsuits where the value in dispute totals up to CHF 10 million;
(i) Issuing a Vontobel employee handbook.

Organizational set-up in 2023
For information on Vontobel's organizational set-up as of December 31, 2022, please refer to page 12ff.

Information and control instruments relating to the Executive Committee
The Board of Directors meets at least four times a year as specified in the Business and Organizational Regulations; in practice, five to eight meetings are held each year. Ordinary meetings usually last an entire day. Unless the Chairman of the Board of Directors decides otherwise, the CEO and the CFO / CRO attend the meetings of the Board of Directors in an advisory capacity. The Chairman determines which other participants may attend a meeting of the Board of Directors (other members of the Executive Committee or other experts). The CEO is entitled to make recommendations regarding other participants. The Board of Directors receives monthly reports about the performance of the business and the Group's risk profile. Periodic reporting on the annual budgeting process, provisions, compliance with legal, regulatory and internal requirements, and legal risks, as well as reports from Internal Audit and the audit firm are standard. Risk reporting is derived from the Risk Appetite Framework and provides information on the development of market, liquidity, credit and operational

risks as well as reputational risks. Within the Risk Appetite Framework, each of these risk types is expanded upon and a qualitative appetite statement as well as quantitative measures serve as Key Risk Indicators (KRIs) for the Board of Directors, making clear where increased focus or scrutiny is required. The Board of Directors reviews all of the KRIs on an annual basis to ensure they remain valid and receives detailed reports on a monthly basis. Detailed information on the management and monitoring of these risks can be found in the Notes to the consolidated financial statements (pages 141 to 154). Internal Audit reports to the Chairman of the Board of Directors and the Risk and Audit Committee about its audit activities on an ongoing basis and provides the Board of Directors with consolidated reports twice annually. The audit firm produces its annual statutory report (report about the statutory audit) as well as further reports on audits addressing specific topics for submission to the Board of Directors. The statutory report is addressed to the Board of Directors and a copy of the report is submitted to FINMA, as well as the Executive Committee and the Head of Internal Audit.

Each member of the Board is entitled to request information on any matters relating to Vontobel Holding AG or Vontobel from the other members of the Board of Directors or the CEO at meetings of the Board of Directors. Any member of the Board of Directors may submit a request for information about Vontobel's performance to the CEO outside a meeting of the Board of Directors. Subject to approval by the Chairman of the Board of Directors, the members of the Board of Directors may obtain information about specific business incidents and / or inspect business records.

Executive Committee

Members of the Executive Committee as of December 31, 2022

NAME	FUNCTION	NATIONALITY
Dr. Zeno Staub	CEO	Swiss
Dr. Thomas Heinzl	CFO / CRO	Austrian
Dr. Maria-Antonella Bino	Member	Swiss
Felix Lenhard	Member	Swiss

Dr. Thomas Heinzl has been a member of the Executive Committee since August 1, 2020. Dr. Maria-Antonella Bino has been a member of the Executive Committee since June 1, 2021. Since June 1, 2021, and in the year under review, respectively, the Executive Committee consisted of: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO / CRO), Dr. Maria-Antonella Bino (General Counsel) and Felix Lenhard (COO).

Dr. Christel Rendu de Lint has been a member of the Executive Committee since January 13, 2023. As of January 13, 2023, the Executive Committee comprises: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO / CRO), Dr. Maria-Antonella Bino (General Counsel), Felix Lenhard (COO) and Dr. Christel Rendu de Lint (Head of Investments).

Other activities and functions
For information on other activities and functions performed by the members of the Executive Committee, refer to their curricula vitae on page 47.

Rules in the Articles of Association governing the number of permitted activities
Article 25 of the Articles of Association of Vontobel Holding AG states that no member of the Executive Committee may perform more than five additional mandates outside Vontobel, of which no more than two additional mandates may be performed in listed companies. Additionally, a member of the Executive Committee may perform up to seven mandates in not-for-profit or charitable legal entities outside Vontobel.

The provisions set out in the applicable Business and Organizational Regulations also apply (please refer to: www.vontobel.com/agm).

Management contracts
There are no management contracts.

Compensation, shareholdings and loans
Information about compensation, shareholdings and loans can be found in the Vontobel Compensation Report commencing on page 53.

Dr. Zeno Staub
Chief Executive Officer

Born 1969,
Swiss citizen

Member of the Executive Committee
since 2003

Education
Dr. oec., University of St. Gallen, Switzerland

Professional background

Since 2001	Vontobel, Zurich, Switzerland	
	Since 2011	Chief Executive Officer
	2008–2011	Head of Asset Management
	2006–2007	Head of Investment Banking
	2003–2006	Chief Financial Officer
	2001–2002	Head of the Chief Financial Officer management support unit (Controlling and IT project portfolio)
2000	BZ Informatik AG, Freienbach, Switzerland Member of the Executive Management	
1994–2000	Almafin AG, St. Gallen, Switzerland Founding shareholder and Managing Partner	

Mandates
- Member of the Board of Directors of the Swiss Bankers Association, Basel, Switzerland
- Vize-Chairman of the Board of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland
- Member of the Board of Directors of Bühler Holding AG, Uzwil, Switzerland
- Member of the Swiss Society of Financial Market Research, St. Gallen, Switzerland
- Member of the Board of Trustees of the Max Schmidheiny Foundation, St. Gallen, Switzerland
- Member of the Management Board of the Gottfried Keller Foundation, Zurich, Switzerland

Dr. Thomas Heinzl
Chief Financial Officer / Chief Risk Officer

Born 1970,
Austrian citizen

Member of the Executive Committee
since 2020

Education
Dr. oec., University of St. Gallen, Switzerland
MSc (Computer Science), Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background

Since 2020	Vontobel, Zurich, Switzerland Chief Financial Officer / Chief Risk Officer	
2014–2020	UBS AG, Zurich, Switzerland	
	2014–2020	Chief Operating Officer, UBS Asset Management
	2019–2020	Chairman of the Board of Directors of UBS Asset Management Schweiz AG
2012–2014	Vontobel, Zurich, Switzerland Head of the PB Investments (Discretionary and Advisory) unit, Sales and Product Management	
2012	UBS AG, Zurich, Switzerland Head of Strategic Planning	
2011–2012	Start-up	
1998–2010	McKinsey & Company, Switzerland	

Mandates
None

Dr. Maria-Antonella Bino
General Counsel

Born 1966,
Swiss citizen

Member of the Executive Committee
since 2021

Education
PhD in Law, University of Geneva, Switzerland

Professional background

Since 2021	Vontobel, Zurich, Switzerland General Counsel, Head Legal & Compliance
2020–2021	Group Sygnum Bank AG, Zurich, Switzerland Advisor to the Group CEO, Head of Legal & Compliance, Group Executive Board Member
2013–2020	BNP Paribas BNP Paribas (Suisse) SA, Geneva, Switzerland General Counsel, member of the Executive Board BNP Paribas SA, Paris, France Group Legal and IFS Group Legal, member of the Executive Committee BNP Paribas Wealth Management, Monaco Board Director and Chairman of the Audit Committee
2011–2013	Federal Office of the Attorney General of Switzerland Deputy of the Attorney General
2008–2010	Federal Examining Magistrates Office, Switzerland Deputy Chief Federal Examining Magistrate
2002–2008	Federal Examining Magistrates Office, Switzerland Federal Examining Magistrate
1999–2002	Federal Supreme Court of Switzerland Court clerk

Mandates
- Substitute Federal Judge at the Federal Criminal Supreme Court, Bellinzona, Switzerland
- Chair of the Lawyers Group of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland, and representative of VAV in the Lawyers Group of the Swiss Bankers Association (since January 2023)

Felix Lenhard
Chief Operating Officer

Born 1965,
Swiss citizen

Member of the Executive Committee
since 2010

Education
lic. oec., University of St. Gallen, Switzerland

Professional background

Since 2001	Vontobel, Zurich, Switzerland	
	Since 2010	Chief Operating Officer of Vontobel
	2009	Head of IT within the Operations support unit
	2003–2009	Head of Business Applications division within the Operations support unit
	2001–2003	Corporate Business Development
2000	BZ Informatik AG, Freienbach, Switzerland Member of the Executive Management	
1996–2000	Almafin AG, St. Gallen, Switzerland Partner with responsibility for the area of consulting	
1991–1996	PwC, Zurich, Switzerland, and London, UK Senior Consultant Financial Services division	

Mandates
None

Shareholders’ participatory rights

Voting rights: Restrictions and representation
The transfer of registered shares requires the approval of the Board of Directors or a committee designated by the Board of Directors. If listed registered shares are acquired through the stock market, title to the shares is transferred at the time of their transfer to the acquirer. If listed registered shares are acquired by means other than through the stock market, title passes to the acquirer when the latter applies to the company for recognition as a shareholder. However, the acquirer may not, in any event, exercise voting rights associated with the shares or any other rights associated with the voting rights until the company has recognized the acquirer as a shareholder. The acquirer is not subject to any restrictions on the exercising of any other shareholder rights.

The Board of Directors may refuse to recognize an acquirer of registered shares as a full shareholder:
(a) if the number of registered shares held by the acquirer exceeds 10 percent of the total number of registered shares recorded in the Commercial Register. Legal entities and partnerships with a legal capacity that are united in terms of capital or votes in a single management structure or in some other similar manner together with natural or legal entities or partnerships that act in a coordinated way to circumvent registration restrictions, are deemed for the purposes of this provision to be one acquirer; the vested rights of shareholders or shareholder groupings (including the right, whilst retaining beneficial ownership, to contribute shares in companies over which they have full control, or to remove the shares from such companies, together with the right to transfer shares within a shareholder grouping without restriction under this percentage clause regarding the participation of individual shareholders, in all cases with full retention of voting power), who together already held more than 10 percent of the share capital at the time restricted transferability was introduced by means of a public notice on January 25, 2001, are not affected;
(b) if, when requested by the company, the acquirer fails to confirm expressly that the shares were acquired in their own name and on their own account.

After the share transfer has been approved, it is entered in the share register. The company recognizes as shareholders or beneficiaries of registered shares only those entities entered in the share register. If the company has not yet approved the acquirer on the date legal title is transferred, the acquirer is entered in the share register as a shareholder without voting rights and, in this case, the relevant shares are deemed to be unrepresented at any General Meeting of Shareholders.

See the below section “Statutory quorums” for information on the conditions that apply to the lifting of restrictions on voting rights set out in the Articles of Association.

In the year under review, no exceptions were granted according to the statutory quorums (please see the next paragraph).

Each share entitles the shareholder to one vote. A shareholder may grant a written power of attorney in order to be represented at the General Meeting of Shareholders by a third party, who need not be a shareholder, or by the independent proxy. The Articles of Association do not contain any other rules on the issuing of instructions to the independent proxy or on electronic participation in the General Meeting of Shareholders.

Statutory quorums
To be valid, resolutions and elections by the General Meeting of Shareholders require an absolute majority of the votes cast, excluding blank and invalid votes, unless binding legal provisions stipulate otherwise. Resolutions by the General Meeting of Shareholders require a minimum of two-thirds of votes represented and an absolute majority of the nominal share values represented in order to:
(a) Amend the purpose of the company
(b) Introduce voting shares
(c) Amend or abolish restrictions on the ability to transfer registered shares (restricted transferability)
(d) Carry out an authorized or conditional increase in capital
(e) Carry out an increase in capital from equity in return for non-cash considerations or for the purpose of contributions in kind and the granting of special benefits
(f) Restrict or abolish pre-emptive rights
(g) Relocate the registered office of the company
(h) Remove more than one member of the Board of Directors in the course of one financial year
(i) Dissolve the company (with or without liquidation)
(j) Distribute a dividend in kind
(k) Increase the share capital (in all cases).

Convening of the General Meeting of Shareholders
Legal regulations apply to the convening of the General Meeting of Shareholders.

Invitations to attend the General Meeting of Shareholders are issued by the Board of Directors or, in the instances specified by law or in the Articles of Associations, by the statutory auditors or liquidators. The General Meeting of Shareholders is to be convened at least 20 days before the date of the meeting in the form specified by the company for public notices and must indicate the place, time, agenda items and motions proposed by the Board of Directors and shareholders who have asked for a General Meeting to be held or for an item to be placed on the agenda for discussion; in addition, shareholders with registered shares are to be notified of any General Meeting in writing. The notice convening the meeting must indicate the nature of any admission requirements. The notice convening the Ordinary General Meeting must draw attention to the fact that shareholders may inspect the Annual Report, the Compensation Report and the auditor's report at the registered office of the company and that they may also ask for a copy of these documents to be sent to them without undue delay.

Inclusion of an item on the agenda
Shareholders representing at least 0.5 percent of the share capital may apply in writing for an item to be included on the agenda for discussion together with any associated motions. Any such application must reach the company at least two months before the date of the General Meeting.

No resolutions may be passed on motions that are not part of duly notified agenda items. Exempt from this provision are motions to convene an Extraordinary General Meeting, to conduct a special audit and to elect statutory auditors following a request from a shareholder. Similarly, no prior notification is required for motions that are part of items for discussion or where no associated resolution is required.

Entry in the share register
No entries are made in the share register from the date on which the invitations to the General Meeting of Shareholders are sent until one day after the meeting.

Change of control and defense measures

Mandatory public takeover offer
The Articles of Association do not include an "opting out" or "opting up" clause with regard to mandatory public takeover offers, as defined in Art. 125 of the Swiss Financial Market Infrastructure Act. The instruments available to the company to defend itself against hostile takeover bids essentially comprise the following measures already referred to above:

- At present, 50.9 percent of voting rights are bound by a shareholder pooling agreement on a long-term basis (see section "Major shareholders and groups of shareholders with pooled voting rights", page 31).
- The restrictions on transferability allow the Board of Directors to refuse to enter shareholders or groups of shareholders in the share register once their shareholdings exceed the 10 percent threshold (see section "Voting rights: restrictions and representation", page 49).
- A change in the restrictions on transferability or the removal of more than one member of the Board of Directors in the course of one financial year must be approved by a qualified majority (see section "Statutory quorums", page 49).

Change of control clauses
The contracts of members of the Board of Directors (including the Chairman of the Board of Directors) and the Executive Committee do not – with the exception of entitlements arising from the share participation plan referred to hereafter – make provision for any agreements in the case of a change of corporate control (change of control clauses). In the event of a change of control, any entitlements arising from the share participation plan will, however, be met immediately if the plan cannot be continued.

Statutory auditor / Group auditor

Duration of mandate and term of office of auditor in charge
The consolidated financial statements and the financial statements of Vontobel Holding AG and the subsidiaries are audited by Ernst & Young. The external auditor of Vontobel Holding AG is elected for a period of one year at the General Meeting of Shareholders. Ernst & Young was elected as auditor for the first time when Vontobel Holding AG was established in 1983. The auditor in charge is Prof. Dr. Andreas Blumer, who has held this function since the financial year 2019. The holder of this office changes every seven years, in accordance with banking legislation. The

role of statutory auditor has been performed by Philipp Müller since the financial year 2019.

Fees paid to the auditor

1,000 CHF	2022	2021
Auditing fees billed by Ernst & Young	2,940.7	2,823.8
Additional fees billed by Ernst & Young for audit-related services	455.1	534.6
of which tax services	*353.9*	*470.3*
of which other services	*101.2*	*64.3*

Additional fees
The additional fees primarily concern services provided in connection with projects and audit-related services for tax or regulatory matters. Tax services comprise services related to the tax returns of subsidiaries and the area of transfer pricing documentation. Other services provided during the year under review consisted primarily of services related to regulatory confirmations for the supervisory authorities and the evaluation of the impacts of regulatory changes. The audit firm is permitted to provide these services as well as performing the auditing duties of the external auditor as they do not give rise to any conflicts of interests. The subject of any new audits, as well as special audits that have to be conducted at the request of the supervisory authorities, require the approval of the Risk and Audit Committee. There is no prescribed catalogue of criteria that has to be consulted when approving these types of additional mandates; the Risk and Audit Committee decides on an individual basis whether the issuing of an additional mandate would impact on the auditor's independence.

Supervision and control instruments relating to audits
The Board of Directors is responsible for the supervision and control of the audit firm. This includes examining the risk analysis and reviewing the reports produced by Internal Audit and the audit firm; it is assisted by the Risk and Audit Committee when discharging this duty. The Risk and Audit Committee obtains regular reports from representatives of the audit firm and it evaluates the firm's performance based on the quality and comprehensiveness of its audit activities. The audit firm and Internal Audit attended all meetings of the Risk and Audit Committee in the year under review.

Vontobel, as a banking group, is subject to consolidated supervision by FINMA. Legal requirements and regulations must therefore be observed in the selection of the audit firm. Other material selection criteria applied by the Board of Directors are the audit firm's proven expertise with regard to complex finance and valuation issues in accordance with the accounting standards prescribed by FINMA and the International Financial Reporting Standards (IFRS), as well as its expertise regarding special topics relating specifically to the institution. The audit firm's independence, performance and fees are evaluated periodically using a defined process and a structured set of criteria. Further, a detailed review is conducted every five years. A review of this nature was last carried out in 2018, since the mandate was put out to tender in 2019 and a comprehensive validation process was carried out.

Information policy

As a company listed on the stock exchange, Vontobel Holding AG pursues a consistent and transparent information policy towards its shareholders, clients and employees, as well as the financial community and the general public. Its regular reporting activities include the publication of its annual and half-year reports and its trading updates for the first and third quarters, as well as its annual and half-year conferences for the media, investors and analysts and the General Meeting of Shareholders. When important developments occur, the above-mentioned stakeholders are informed simultaneously in accordance with Article 53 of the Listing Rules of SIX Swiss Exchange. Information is communicated to them on Vontobel's website, in an electronic newsletter and via press releases, which are distributed to newspapers of national and international importance (including Neue Zürcher Zeitung, Finanz und Wirtschaft, Le Temps, the Financial Times and Handelsblatt) and through electronic information systems (including Bloomberg, Reuters and AWP). To subscribe to Vontobel's financial news and press releases, including ad hoc releases, see: www.vontobel.com/en-ch/services/newsletter/. Official notices relating to the company are published in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB) unless some other manner of publication is prescribed by law.

Details of the financial calendar and contact addresses are listed on page 251 of the Annual Report and at: www.vontobel.com/ir. For our financial reporting, see: www.vontobel.com/financialreporting and www.vontobel.com/financialnews.

Trading blackout periods

The general trading blackout periods imposed by the Vontobel Group (Vontobel) are governed by an internal policy as follows:

1. All Vontobel employees are prohibited from trading in Vontobel shares or corresponding derivatives for four weeks prior to the official publication of the annual and half-year results. This period may be adjusted by the General Counsel.
2. In addition, employees who, by virtue of their function, have access to confidential information about Vontobel's business activities are subject to a trading ban from December 15 and June 15, respectively, until after the official publication of the annual and half-year results, respectively, as well as for two weeks prior to the Annual General Meeting of Shareholders of Vontobel Holding AG and prior to the publication of the media release about the third quarter business update, unless the General Counsel defines other blocking periods. The group of individuals subject to this trading ban is periodically reviewed and regularly updated and the individuals concerned are informed and instructed accordingly. The members of the Board of Directors and the Executive Committee of Vontobel Holding AG are always subject to this trading ban.

Transactions in Vontobel shares that take place in accordance with the provisions of a pre-established pre-trading plan and without the possibility of influence by the person in question are exempt from the trading ban during the aforementioned trading blackout periods. The option of setting up such pre-trading plans is available exclusively to members of the Board of Directors and the Executive Committee of Vontobel Holding AG.

Supplementary rules also apply to blocked employee participation shares that have not yet been transferred to employees.

Compensation report

"Deliver a great place to work for people who want to excel."

Bruno Basler
Chairman of the Nomination and Compensation Committee

Our compensation policy is aligned with our corporate essence and its core values. Since 2004, our compensation system has supported employees who take responsibility and display entrepreneurship and foresight while placing clients at the center of all that they do.

Shareholders' letter

Dear shareholders

Our compensation policy is aligned with our corporate essence and its core values. Since 2004, our compensation system has supported employees who take responsibility and display entrepreneurship and foresight while placing clients at the center of all that they do. The consistent and predictable nature of the compensation system over time is extremely valuable and has proved to be in the interests of all Vontobel stakeholders.

An important feature of our compensation system is that it encourages all employees to participate in our share participation plan. This promotes an entrepreneurial, prudent and long-term mindset and approach among all our employees and management. More than 68 percent of all Vontobel employees now take part in the share participation plan. At the end of 2022 members of the Executive Committee held an average of more than five times their base salary in Vontobel shares. Furthermore, both our compensation system and individual compensation payments are consistently aligned with the "Pay for Performance" principle: If the financial value created by Vontobel increases, compensation will, on average, also increase. And if value creation decreases, then compensation also decreases. "Pay for Performance" also means that a relatively high proportion of total compensation at Vontobel is variable. The benefit of this is that despite significant variations in business cycles, our level of personnel expense relative to operating income has remained very stable over the last 18 years, amounting to an average of around 50 percent. This also has the effect of reducing the volatility of Vontobel's net profit, dividend and investment power and thus enables a more consistent policy.

Our compensation system helps us recruit, develop and retain the best talent. When recruiting new employees, we strive to attract people with integrity who are right for our company and who value our culture. In this context, we place an emphasis on attracting talented individuals who believe they can achieve success at and with Vontobel and are therefore willing to assume entrepreneurial risk and to join the company on a base salary that sometimes is lower by market standards. If employees are successful and deliver a good performance over the long term, their compensation – together with the share participation plan – will develop in line with or exceed slightly market rates. It is in Vontobel's interests to not only attract but also retain top performers.

Equal pay analysis
The Federal Act on Gender equality (GEA) was revised as of July 1, 2020 and supplemented by an obligation for employers to conduct an internal equal pay analysis for firms of 100 or more employees, as well as an independent review of the equal pay analysis. The Competence Centre for Diversity and Inclusion (CCDI-FIM) of the HSG prepared a statistical pay equality analysis using the Logib method which showed that Bank Vontobel AG and Vontobel Asset Management AG comply with the principle of equal pay for men and women. The Social Partnership Office for Equal Pay in the Banking Industry (SF-LoBa) independently reviewed the analysis and confirmed not only that it was formally correct, but also that it complied with all the requirements of the SF-LoBa industry seal of approval. In addition, our market studies show that we are always very mindful of paying fair wages in line with the market, regardless of gender. Each year, we conduct an in-depth review of our salary details with the help of available market data. The results of these analyses are incorporated directly into the upcoming compensation rounds.

Dialogue with our investors
We engage in a regular dialogue with our investors and discuss their thoughts on our compensation policy. We are grateful for all of their suggestions, review them carefully and implement them as far as possible, where this makes sense for our company. For example, we are responding to their calls for greater transparency and are providing the most detailed information possible about the evaluation of the Executive Committee's performance. Our base salaries and annual variable compensation are the subject of carefully prepared decisions by our management bodies.

Pay for performance
2022 was a period of major challenges and imponderables. As a global investment firm specializing in wealth and asset management for private and institutional investors, as well as investment solutions, Vontobel has proven investment expertise that benefits our clients in all market environments. In the short term, however, the exceptional market conditions in 2022 left their mark on the development of client assets, gross margins and net new money. In the period from 2002 to 2022, Vontobel recorded almost a fivefold increase in assets under management, which grew from CHF 45.4 billion to CHF 204.4 billion. The decrease of CHF 39.3 billion compared to 2021 was primarily attributable to negative performance effects due to price losses in equity and bond markets. The negative inflow of net new

money and negative overall currency effects also led to a reduction in the asset base. Since February 2022, institutional investors have generally reduced risks – especially in the case of actively managed assets – and they have tended to defer reinvestments to the future. In the course of 2022, the business with asset management clients therefore recorded net outflows of CHF 10.6 billion, which were not offset by the broad-based growth in Wealth Management. Growth in net new money reached 5.6 percent in Wealth Management, and in Asset Management it was negative at –7.4 percent. In total, net new money was CHF –5.2 billion, corresponding to negative growth of –2.1 percent. Vontobel generated operating income of CHF 1,285.1 million in 2022, down 16 percent compared to the prior year (CHF 1,536.6 million). Compared to 2020 (CHF 1,265.5 million), however, operating rose slightly (+2 percent). As a globally active investment firm, Vontobel generated 65 percent of its operating income from the commission business, of which 90 percent comprised recurring income. In 2022, we continued to invest in strategic projects but also took measures to contain costs in view of deteriorating market conditions. By adopting a sharper focus and leaner organization, we expect to generate additional gross cost reductions of CHF 65 million by the end of 2023.

With the proposed ordinary dividend of CHF 3.00, Vontobel is offering shareholders an attractive dividend yield of 4.9 percent (based on a year-end share price of CHF 61.30). Our strong capital ratios, which far exceed the regulatory minimum requirements defined by FINMA and our own targets, will enable us to achieve organic growth in the future and provide additional financial flexibility for potential acquisitions. Our sustained profitability in recent years also forms the basis for the solid return on equity in the performance period from 2020 to 2022. The average return on equity in these three years was 14.4 percent. The average BIS total capital ratio was 22.2 percent. Consequently, the multiplier for performance shares from the 2019 bonus, which will vest in spring 2023, is 144 percent.

Say-on-pay
Our shareholders approved all of the compensation proposals at the General Meeting of Shareholders 2022. The fixed compensation of the Board of Directors was approved by 95 percent of shareholders. The proposed fixed compensation of the Executive Committee was approved by 99 percent and the proposed bonus by 95 percent of shareholders. At the General Meeting of Shareholders 2023, you, our shareholders, will once again be given a prospective vote on fixed compensation and a retrospective vote on variable compensation. At Vontobel, you vote on the actual compensation amounts, meaning that you retain full control over the compensation that is paid out. We are asking you to approve it at the General Meeting of Shareholders of April 4, 2023.

Outlook
Vontobel wouldn't be Vontobel if we didn't constantly look to the future. We are committed to securing Vontobel's success, both today and in the long term. This entrepreneurial tendency to look to the future is even more important as the world, our society and our clients change ever more rapidly due to the emergence of new opportunities in a digitized world. Consequently, one of the core functions of any Board of Directors is to constantly think about the company's long-term future and to take proactive steps to achieve continued improvements and become even more successful. A company that fails to attract new customers, grow and generate an appropriate return for its owners will not survive in the long term. At Vontobel, we want to continue to build on stable foundations and grow steadily. This is also reflected in our ambitious capital market targets. We also have a clear vision of how we intend to achieve these goals. By 2030, we want to be one of the leading and most respected investment firms that can attract, recruit, develop and retain outstanding talent that is a good fit for Vontobel. Our long-term ambition for 2030 remains unchanged. To help achieve it, the company will focus on four priorities over the next two years:

1. Delivering future-proof investment solutions
2. Delivering best-in-class private clients experiences
3. Accelerating our US growth
4. Scaling value creation

On behalf of Vontobel and the members of the Nomination and Compensation Committee, I wish to thank you for your trust and support, as well as for your feedback, which are greatly valued.

Bruno Basler
Chairman of the Nomination
and Compensation Committee

Compensation philosophy and how it is linked to Vontobel's strategy

Introduction
Vontobel is a globally operating investment manager with Swiss roots. We have a long-term commitment to our employees and shareholders. Our philosophy is to promote a performance-oriented culture, to foster teamwork and to take a prudent approach to risk. We encourage entrepreneurial spirit and empower our people to take ownership of their work and bring opportunities to life. We want each individual to have the courage to express an independent perspective, even if that goes against the consensus view.

We firmly believe that every single employee makes a significant contribution to creating the Vontobel experience. Appropriate and fair compensation for our employees and compliance with local regulatory requirements in the markets in which we operate are important elements of our strategy.

We do not endorse any form of discrimination. All of our employment decisions, including compensation decisions, are based on the person's function, qualifications, performance and conduct, or other objective, legitimate business considerations.

Link between Vontobel's corporate values and the compensation system
We strive to conduct our business responsibly on basis of concrete values. Our goal is to generate significant benefits for our customers by seizing opportunities. We also want to achieve this goal by shaping each individual customer experience on our own responsibility. Our core values guide us in our efforts to achieve this purpose and vision:

Driven by an ownership mind-set, we stand for empowerment and personal responsibility.

Our compensation structures place a significant emphasis on ownership through performance assessment criteria that consciously seek to reward behavior consistent with the desired ownership mindset. Share ownership is also a key element of our incentive structures.

We embrace independent thinking to capitalize upon the future. To do so, we promote creativity to develop insights that translate into opportunities that make a difference.

We encourage our employees to consider both the long-term impact of their decisions and the sustainability of the results generated. We determine variable awards based on long-term metrics. We also reinforce this view through the focus on share ownership at Vontobel.

Determined to deliver, we stay on course in a changing world. We are determined to overcome hurdles in order to put our clients ahead. We go the extra mile. We constantly improve and learn to work ever smarter.

We encourage this mindset in our employees through non-financial performance assessment criteria.

Link between Vontobel's strategy and the compensation system

All Vontobel employees should be rewarded for their commitment and contribution. For this reason, our compensation principles link Vontobel's strategic priorities with each individual's total compensation package:

Priorities 2020–2022

1. Deliver the Vontobel experience
2. Deliver a pure-play investment firm to all clients
3. Deliver on tipping points to our future growth ambition
4. Deliver the power of technology, data & analytics
5. Deliver a great place to work for people

Compensation principles

- Pay for performance: A comprehensible overall compensation system that rewards contributions.
- Drive culture: Promote an ownership mind-set and courage. Foster performance- and team-oriented culture.
- Aligned and long-term oriented: Take account of the long-term interests of clients, employees, shareholders and the company.
- Competitive: Offer competitive compensation to attract and retain talent.
- Compliant: Commitment to comply with legal and regulatory requirements. Promote risk-consciousness and prevent conflict of interest.

Core principle of "Pay for Performance"

The principle of "Pay for Performance" lies at the heart of Vontobel's overall compensation system. This means that excellent employee performance and contributions to the long-term success of Vontobel are rewarded. The compensation system is designed to motivate employees at all levels of the company and is geared towards incentivizing future performance while not inducing excessive risk-taking.

Our guidelines are:

- There should always be a strong correlation between total compensation and the annual performance of the business and of the individual.
- Performance depends on various factors and is therefore variable. Consequently, we pay for performance through variable compensation elements.
- We incentivize the right behavior and reward employees who live the Vontobel experience.
- Strategic investments are important to ensure employee retention, meet business objectives or access new markets.
- In case of termination or misconduct no bonus is paid.

Compensation components

We are committed to providing each employee with a total compensation package that is fair, competitive, future-oriented and tailored to the role of the individual. The overall level of pay is in line with market practices and is linked to Vontobel's operational profitability. While the exact structure depends on the employee's function and location, the total compensation package generally consists of fixed and variable components, as well as social benefits.

Base salary

The fixed base salary is the foundation of each individual's total compensation package. The goal of the base salary is to provide a solid fixed income for the respective function.

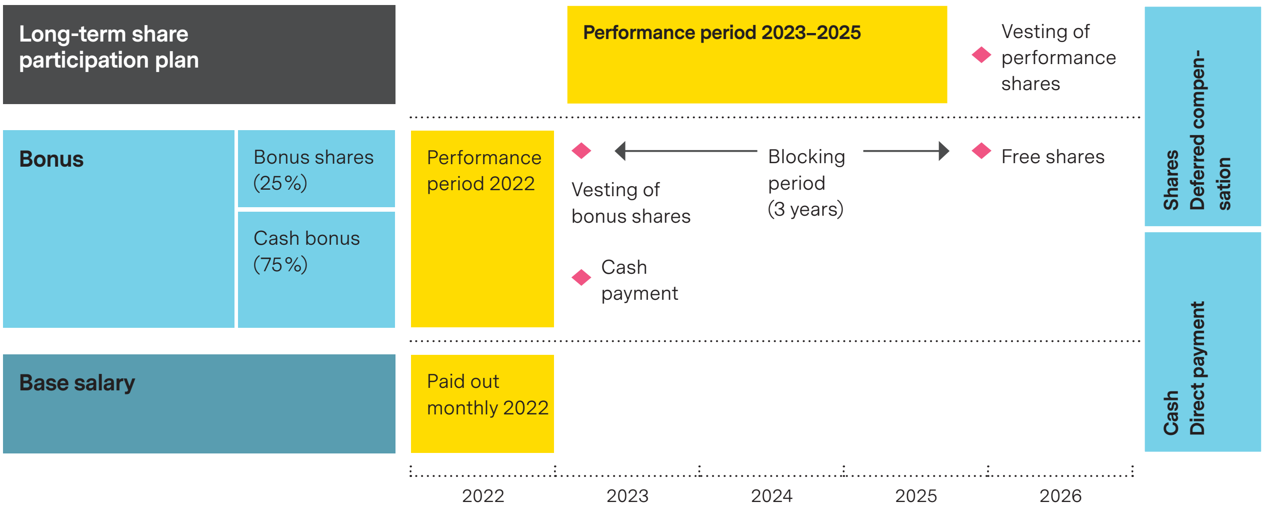
Variable compensation

While the base salary secures the employee's standard of living, variable compensation serves the purpose of motivating employees to strive for exceptional long-term performance. The variable component is split into bonus (cash or deferred) and long-term incentives. Variable pay is based on the performance at Group level down to the level of the Client Unit / Center of Excellence and entity as well as the indvidual's performance.

Variable compensation is influenced by various key objectives:

- Attract and retain highest-quality talents
- Promote Vontobel values
- Ensure compliance with external regulations
- Secure affordability for the company

Overview of employee compensation components:



Bonus

We want to recognize employees who deliver outstanding results and contribute to the realization of business goals. The bonus is a short-term award that serves this purpose since it rewards employees for the contributions they made during the financial year. The bonus is generally paid out in the first quarter of the year, on a retrospective basis for the previous year.

Employees who receive a cash bonus can choose if they want to invest 25 percent of their cash bonus in bonus shares. Participation is therefore voluntary except in the case of certain employees who are subject to a mandatory investment requirement (e.g. management, high-risk functions, cash bonus above threshold). For employees who participate in long-term incentive plans (LTIs), a portion of the bonus is deferred by investing a defined amount in Vontobel shares (i.e. bonus shares). Since participants become Vontobel shareholders, the deferred bonus is a crucial element of our ownership mindset.

To avoid any real or perceived conflicts of interest, short-term incentives for employees working in control functions are not calculated solely on the basis of financial metrics, instead they take account of the achievement of function-specific non-financial key performance indicators.

Long term incentive

Since each employee is important to Vontobel's overall success, we believe that each individual should participate in long-term value creation. In 2004, we therefore implemented an LTI that encourages ownership, foresight and tenacity and motivates each employee to deliver the edge.

In addition to the global LTI, variations of this plan were introduced to meet regional regulatory requirements, e.g. the inclusion of fund investments in the plan.

The main components that form part of all Vontobel LTIs are Bonus Shares and Performance Shares:

Bonus Shares

Promote ownership through bonus shares: Employees receive the deferred bonus in shares of Vontobel Holding AG at a discounted price of 80 percent of the relevant market price. The shares are immediately transferred into the ownership of the individual but the recipient is required to hold the shares for a period of three years. During this period, the individual is also entitled to receive dividend payments.

Performance Shares

Incentivizing future performance through performance shares: With the allocation of bonus shares, employees also receive a prospective entitlement to performance shares that they can exercise after a period of three years. The performance shares are transferred free of charge and there are no sales restrictions.

The amount of performance shares depends on Vontobel's average return on equity (ROE) and average risk profile (BIS Total Capital Ratio). The multiplier resulting from these two parameters is defined using the average over the relevant performance period of three years. This ensures that the achievement of a high return on equity in combination with a low risk profile is rewarded more generously than the achievement of a high return on equity in combination with a high risk profile. Every LTI participant will thus benefit from the discounted price of the shares, the dividends on the bonus shares as well as from the additional performance shares that are offered free of charge.

The number of performance shares is determined on a purely formulaic basis and therefore theoretically has no maximum limit. We have therefore introduced for this component of Executive Committee compensation – the only one not subject to the discretionary governance process – a cap of 250 percent on the multiplier used for the calculation of performance shares as from 2019. This cap applies solely to members of the Executive Committee for reasons of relevance and due to the impact on the risk / return tradeoff practiced by this managing body.

Link between variable components and the principle "Pay for Performance"

Link between the bonus and pay for performance

Our bonus system creates a high degree of transparency since all decisions are based on the performance of Vontobel, the Client Units / centers of excellence and the individual. Consequently, the individual's cash bonus is entirely dependent on the performance achieved across these areas during the financial year.

Link between the share plans and pay for performance

As a result of the investment of the bonus and the deferral of the award, the benefit is closely linked to both individual performance and the performance of Vontobel's business. Since employees are not allowed to sell their shares for three years (i.e. "blocked shares"), the actual benefit they realize depends on the development of the share price. In addition, the amount of additional performance shares varies in line with Vontobel's performance. In conclusion, each employee's benefit is dependent on the sustainable performance of the business at two levels.

		DISCRETIONARY INDIVIDUAL BONUS	BLOCKED BONUS SHARES	PERFORMANCE SHARES
Performance	Individual	✓	✓	✓
	Client Unit / Center of Excellence	✓	✓	✓
Time Horizon	**Retrospective** for performance delivered	✓	✓	
	Prospective Investment in future performance of the business		✓	✓

Governance

Compliance with regulatory requirements

We are committed to complying with regulatory requirements at all times and in all the regions where we do business. Due to the variety of countries in which Vontobel is represented, various regulatory frameworks governing compensation need to be taken into account. For example, Vontobel follows the AIFMD, UCITS, CRD IV and MiFID regulations in the EU and the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations (VegüV). Additionaly, Vontobel has voluntarily chosen to adhere to the FINMA remuneration principles in accordance with best practice.

The Board of Directors is responsible for ensuring that Vontobel's principle to always complying with all applicable regulations and even exceeding the minimum requirements in key territories is observed. In addition, the Board of Directors is responsible for ensuring that the compensation policy and level of pay do not expose Vontobel to an unacceptable level of risks.

The individual nature of the regulations that apply to Vontobel entities means that local policies may apply within the scope of this global policy and that these local policies may need to be amended whenever the regulatory landscape changes.

Responsibility for Vontobel's compensation system

To follow these principles, governance roles and responsibilities are clearly defined and shared across the organization:

- **Shareholders:** The General Meeting votes on the total compensation awarded to the Board of Directors (BoD) and the Executive Committee. The General Meeting also elects the members of the Nomination and Compensation Committee (NCC).
- **External auditors:** The external auditors review the financial statements, including compensation-related figures that are disclosed in the annual report.
- **Board of Directors:** The Board of Directors (BoD) delegates selected tasks to the Nomination and Compensation Committee (NCC), oversees all compensation related matters and has the final decision-making power. The Board of Directors is ultimately responsible for the compensation policy and its implementation, with responsibilities being delegated to the Nomination and Compensation Committee.
- **Nomination & Compensation Committee (NCC):** The NCC oversees Vontobel's entire total compensation system. End of year, the Nomination and Compensation Committee proposes the annual bonus pool to the Board of Directors and maintains an ongoing dialogue about the performance development with managers throughout the year.
- **Executive Committee:** The CEO makes a proposal to the Nomination and Compensation Committee each year regarding the compensation of the Executive Committee.
- **Internal Audit:** The role of Internal Audit is to contribute to the integrity of the entire process and to ensure it is comprehensive and adapted to the scale and complexity of the company. One of the goals of Internal Audit is to make sure that the compensation system does not define incentives that could lead to conflicts of interest. Internal Audit therefore acts completely independently and reports directly to the Board of Directors and regulary to the Risk & Audit Committee.
- **Control functions:** Human Resources, Finance, the Risk and Audit Committee and other control functions are involved in the oversight, design and allocation of employee incentives.
- **Heads of CU/CoE:** The management of each Client Unit / Center of Excellence has a say in the total compensation package of the individual employees, including the allocation of variable compensation. Ongoing reviews and annual overall assessments are carried out.
- **Line Managers:** They provide support and guidance and communicate decisions to employees. Managers with responsibility for compensation matters play an integral role in salary discussions and propose bonuses.
- **Individual employees:** Each employee is responsible together with his line manager for setting his own goals and aligning them with the Vontobel experience. The individual collects regular feedback and engages in an ongoing dialogue about individual development.

Say-on-pay motions proposed to the General Meeting of Shareholders 2023

Overview of responsibilities for compensation and decision-making processes

The Board of Directors has overall responsibility for Vontobel's human resources policy and consequently also for its compensation policy. The Nomination and Compensation Committee (NCC) supports the Board of Directors in determining Vontobel's compensation principles and defining its compensation strategy. The NCC oversees the compensation of the Board of Directors, the Chairman of the Board of Directors, the members of the Executive Committee and the CEO, as well as basic elements of the compensation of all Vontobel employees.

RECIPIENT OF COMPENSATION	PROPOSED BY	DECISION ON PROPOSAL TO GENERAL MEETING	APPROVAL AT GENERAL MEETING
Board of Directors	NCC	Board of Directors	Shareholders
Chairman of Board of Directors	NCC	Board of Directors	Shareholders
Members of the Executive Committee	CEO / NCC	Board of Directors	Shareholders
CEO	Chairman of the BoD / NCC	Board of Directors	Shareholders

In accordance with the Articles of Association of Vontobel Holding AG (see Article 31: www.vontobel.com/en-ch/about-vontobel/investor-relations/annual-general-meeting) and the Swiss Ordinance against Excessive Compensation in Listed Stock Corporations (VegüV), Vontobel discloses the compensation awarded to members of the Board of Directors and members of the Executive Committee and puts it to the vote at the General Meeting of Shareholders.

The Board of Directors will hold the following votes on compensation at the General Meeting of Shareholders of April 4, 2023:

Voting on compensation

	2020	2021	2022	2023	2024	2025
Consultative vote on Compensation Report 2022			Compensation system and governance			
Maximum aggregate fixed compensation of members of Board of Directors for forthcoming term of office				Compensation period		
Maximum aggregate fixed compensation of members of Executive Committee for period from 1 July 2023 to 30 June 2024					Compensation period	
Maximum aggregate performance-related compensation of Executive Committee for prior financial year that has ended			Performance period			
Additional amount for performance shares of the Executive Committee, which relate to bonus shares for 2019 (approved at the General Meeting of Shareholders 2020) and will vest in 2023.		Performance period				
Maximum aggregate amount for performance shares 2023–2025 of Executive Committee					Performance period	

= General Meeting

In the event of one or more motions being rejected at the General Meeting of Shareholders 2022, the Board of Directors is required to call a new General Meeting within six months and to propose new motions for the approval of compensation to shareholders.

Nomination & Compensation Committee (NCC)

The NCC consists of at least three members of the Board of Directors, who are elected each year by the General Meeting of Shareholders. In 2022, the NCC comprised the independent Board members Bruno Basler (Chairman of the NCC), Dr. Michael Halbherr and Clara C. Streit, as well as the non-independent Board member Björn Wettergren. Björn Wettergren represents the fourth generation of the Vontobel and de la Cour families.

The NCC maintains an intensive dialogue with management throughout the year and generally holds at least four meetings during that period. Each year, the extent to which Group-wide performance objectives have been achieved in quantitative and qualitative terms, as well as the CEO's proposal concerning the size of the variable bonus pool for the entire Group, are discussed in detail. The CEO and occasionally also the Head of Human Resources provide the NCC with explanations and advice on this matter. The CEO is not present during the part of the meeting when his compensation is determined.

Benchmarks

We consider it necessary to offer competitive compensation in order to attract and retain talented professionals over the long term. The NCC therefore reviews the compensation levels of all employees once each year. During this process, compensation levels and structures are compared with those of similar positions in Vontobel's peer group in the finance industry. The NCC uses comparative data from publicly accessible sources, information provided by renowned market data providers and talent recruitment information for this purpose. The results of this compensation comparison are used, among other things, as the basis for determining individual compensation.

The current peer group used to assess the appropriateness of our compensation is shown below:

Peer group

Switzerland	Credit Suisse, EFG International, GAM, Julius Baer, Lombard Odier, Pictet and UBS
UK	Abrdn, Ashmore, Janus Henderson and Schroders
USA	Artisan Partners, Lazard and Franklin Templeton

Vontobel Bonus pool

The bonus pool is used to finance the bonus of the Executive Committee and employees. It is determined using the following three-stage process:

Financial performance	→	Other performance indicators	→	Overall evaluation
The bonus pool is accrued each month based on financial performance. Profit before taxes and before variable compensation of the Group and individual CU/CoE have the largest influence on the bonus pool. Growth- and future-oriented key figures such as net new money and investment performance also have a direct influence on the bonus pool.		Progress in implementing the strategy Conduct, leadership and development of the organization Relative performance compared to peer group		The NCC carries out a comprehensive evaluation and reviews Vontobel's market positioning as well as the long-term creation of value in order to formulate the final proposal regarding the bonus pool that is submitted to the Board of Directors for approval.

Vontobel Asset Management in the US and TwentyFour Asset Management in the UK have their own compensation systems and receive variable compensation that is not part of the bonus pool.

Allocation of bonus

The allocation of the total bonus pool to the individual Client Units and centers of excellence (areas) is managed by the CEO using a clearly defined process. The following elements form the basis for the allocation of a bonus pool:
- **Vontobel Bonus Pool:** the available total bonus pool approved by the Board of Directors
- **Area Base Line:** is the starting point for the bonus allocation and is based on a "same for same" bonus simulation. This takes into account the change in number of employees, the results of external and internal market studies and the results of the equal pay analyses, but not the performance of the respective area.
- **Area Performance Score:** is the result of the annual assessment of the individual Client Units and centers of excellence. The performance score is the result of the following parameters:
  Performance metrics: "what has been achieved" measures the achievement of specific predefined key performance indicators (KPI's)
  Health & ESG metrics: "does it contribute to the long-term development of Vontobel" measures the contribution to the corporate strategy/business plan (lighthouse) using the predefined key figures (quantitative, qualitative and ESG KPI's).
  Risk & Compliance metrics: "how has it been achieved" measures the achievement of specific risk indicators as well as qualitative risk behavior.

Within the Client Units and the centers of excellence, an individual's discretionary variable bonus is also determined using quantitative and qualitative assessment criterias that are relevant to the individual's respective function. The quantitative components include the respective current profitability of Vontobel as well as the profitability and growth achieved by the Client Unit / Center of Excellence. In addition, the bonus amount depends to a significant extent on the employee's actions over the course of the year; responsible conduct is of particular importance in this regard. The bonus is reviewed annually and is usually paid in the first quarter of each year. The bonus is determined each year by the merit managers and is subject to approval by the Global Executive Board, CEO and corresponding Area Head.

External consultants

Vontobel obtains anonymized comparative data from external compensation consulting firms such as Willis Towers Watson and AON McLagan, as well as Kienbaum. This information serves as an important basis when determining compensation – especially in an environment characterized by significant market and regulatory changes.

In the case of our entities outside Switzerland, we obtain advice from Mercer LLC on pension and social benefits.

The NCC has commissioned PricewaterhouseCoopers AG (PwC) to provide independent advice and support with regard to the review and further development of our compensation model as well as in respect of general compensation-related questions such as changes in international guidelines and rules.

The above mentioned consultant have other mandates within Vontobel. However, these other mandates are performed outside the Compensation and Benefits unit.

Periodic review of the system

The Compensation Regulations (regulations governing Vontobel's share participation plan, including the related brochure) were approved by the Board of Directors of Vontobel Holding AG on December 16, 2004 and continue to apply in their current form. Each year, the compensation system is discussed by the NCC from various perspectives.

Base salaries and annual variable compensation are the subject of carefully prepared decisions by our management bodies. Only our Long Term Incentive Program, which comprises performance shares, is calculated on a purely formulaic basis and theoretically has no upper limit. For this reason, the NCC decided in 2018 to introduce a cap of 250 percent on the multiplier used for the calculation of performance shares for members of the Executive Committee from 2019 (applicable for the first time to the performance period 2019 to 2021).

In 2016, the NCC approved the introduction of a Variable Compensation Agreement (VCA) for individual employees that also reflects regulatory requirements in the European locations in which Vontobel operates. The Executive Committee is not affected by this arrangement.

Change of control clauses

The contracts of members of the Board of Directors (including the Chairman) and the Executive Committee (including the CEO) do not make provision for any agreements in the case of a change of corporate control (referred to as change of control clauses). In the event of a change of control, any entitlements arising from the share participation plan will, however, be met immediately if the plan cannot be continued.

Notice periods and severance agreements

Vontobel Holding AG or companies controlled by it may conclude mandate agreements or employment contracts of limited or unlimited duration with members of the Board of Directors. The duration and termination of such agreements are based on the term of office and applicable law.

Vontobel Holding AG or companies controlled by it may conclude employment contracts with members of the Executive Committee. Employment contracts of limited duration are subject to a maximum duration of one year but may be renewed. The maximum notice period for employment contracts of unlimited duration is 12 months. If the employment relationship is terminated, the company or companies controlled by it may release a member of the Executive Committee from his duties with immediate effect and/or conclude a termination agreement.

In principle, the employment contracts of Vontobel employees (including members of the Executive Committee) are subject to a notice period of a maximum of six months. In the case of the Chairman of the Board of Directors, notice must be given in the fourth quarter of the relevant year. The contracts concluded with the members of the Board of Directors (including the Chairman) and the members of the Executive Committee (including the CEO) do not contain any clauses relating to severance payments.

Loans to governing bodies

The company may grant a member of the Board of Directors or a member of the Executive Committee credits and loans at standard market rates or generally applicable employee terms and conditions up to an amount of CHF 50 million.

To the extent permitted by law, the company may grant an advance to members of the Board of Directors or members of the Executive Committee to cover court costs and lawyers' fees in connection with legal proceedings, lawsuits or investigations – whether under civil, criminal or administrative law or of another nature – that are connected with their duties or with the fact that they are or were members of the Board of Directors or the Executive Committee.

Compensation of the Board of Directors

Compensation system

Compensation principles

The range of duties performed by a bank's Board of Directors is prescribed by law and by the financial market supervisory authority. The overall supervision and direction of the company are the non-transferable and irrevocable duties of the Board of Directors in its capacity as the supervisory and defining body. A Swiss Board of Directors has an extended range of responsibilities, duties and powers compared to Boards of Directors in other countries. The Board of Directors of Vontobel should be able to perform the overall direction and supervision of the company without restriction. It is also intended to serve as a credible counterbalance to the Executive Committee and should be able to act independently. Based on this, Vontobel has defined the following compensation principles for its Board of Directors:

– Competitive compensation that reflects the competences and experience of members of the Board of Directors and the value they contribute
– It consists exclusively of fixed compensation
– Participation in the long-term performance of the company through shares

The compensation proposed to the General Meeting of Shareholders is decided by the Board of Directors.

Compensation components

The compensation of the members of the Board of Directors consists of the following components:

Duties and roles

Board of Directors

The Board of Directors defines the business strategy and formulates guiding principles for the bank's corporate culture. It signs off the company-wide risk management framework and is responsible for issuing regulations, establishing and monitoring an effective risk management function, and managing overall risks. Furthermore, the Board of Directors establishes a suitable organizational structure and has ultimate responsibility for the company's financial position and development. The Board of Directors is responsible for ensuring that the company has an appropriate number of employees and other resources (e.g. infrastructure, IT) and for its human resources and compensation policies. It oversees the work of the Executive Committee and is, among other things, responsible for ensuring that there is both a suitable risk and control environment within the company. In this way, it has a decisive influence on the strategy, structure and culture of Vontobel. In order for the Board of Directors to perform these duties credibly and to act independently from the Executive Committee, it must be composed of qualified and experienced members, while ensuring an appropriate level of diversity.

COMPENSATION COMPONENTS

Fixed fee	50% paid in cash	The fixed fee for the mandate as a member of the Board of Directors of Vontobel Holding AG is paid half in cash and half in shares.
	50% paid in shares	The allocation of shares that are blocked for a period of three years serves as a long-term incentive, resulting in an alignment with shareholder interests. Members of the Board of Directors thus participate in the long-term success of the company and the long-term performance of the Vontobel share. Shares are allocated at an accepted value of 80% of the average price in the month of December of the year prior to the year in which the payment is paid out. These shares may not be sold, pledged or transferred during the blocking period.
Further fees	100% paid in cash	The fee for the mandate as a member of the Board of Directors of Bank Vontobel AG, which is controlled by Vontobel Holding AG, and the daily fees/meeting attendance allowance as well as expenses are paid 100% in cash.
Pension payments (only for the Chairman of the Board of Directors)		The Chairman of the Board of Directors has an ordinary employment relationship in Switzerland. He therefore receives statutory pension fund benefits like all other employees. The other members of the Board of Directors do not receive pension fund benefits.

Chairman of the Board of Directors
The Chairman presides over the Board of Directors as a whole and represents it internally and externally. The Chairman has a key role in shaping Vontobel's strategy, communication and culture. With the election of Andreas E.F. Utermann at the 2022 General Meeting, Vontobel has a strong and experienced Chairman who exercises a central function within the Board of Directors on a full-time basis. As in previous years, his compensation was set at CHF 2.5 million, which – based on a multi-year average – corresponds to the level of compensation of a member of the Executive Committee.

The fixed aggregate compensation of members of the Board of Directors, including the Chairman of the Board of Directors, which is proposed to the General Meeting of Shareholders for the forthcoming term in office includes a reserve for the following other compensation components: Employer contributions to the pension fund and supplementary fund, daily fees and meeting attendance allowances. The amount that serves as the basis for the vote on compensation does not include social security contributions (AHV, ALV, IV) or additional advisory fees that are unrelated to the function as a member of the Board of Directors and are disclosed separately in the Annual Report.

Actual compensation (audited information)

Compensation for the financial year
For the financial year 2022, compensation totaling CHF 4.5 million (previous year CHF 4.4 million) was paid to the members of the Board of Directors. Of this sum, CHF 2.7 million was paid in cash and CHF 1.8 million in the form of share-based compensation.

Compensation of the members of the Board of Directors for the financial year (pursuant to Art. 663b^{bis} of the Swiss Code of Obligations)

NAME	FUNCTION	COMPENSATION PAID IN CASH CHF 1,000	COMPENSATION PAID IN SHARES[1] CHF 1,000	OTHER COMPENSATION CHF 1,000	2022 TOTAL FIXED COMPENSATION CHF 1,000	2021 TOTAL FIXED COMPENSATION CHF 1,000
Andreas E.F. Utermann[3]	Chairman	952.2	848.3	114.8[2]	1,915.3	158.9
Bruno Basler	Vice-Chairman	204.3	60.0		264.3	253.6
Dr. Maja Baumann	Member	148.5	60.0		208.5	209.3
Dr. Elisabeth Bourqui	Member	148.3	60.0		208.3	204.4
David Cole	Member	168.3	60.0		228.3	230.1
Dr. Michael Halbherr[3]	Member	143.5	60.0		203.5	153.4
Stefan Loacker	Member	148.5	60.0		208.5	209.1
Clara C. Streit	Member	144.5	60.0		204.5	203.6
Björn Wettergren	Member	144.5	60.0		204.5	204.4
Total		**2,202.4**	**1,328.3**	**114.8**	**3,645.6**	**1,826.8**
MEMBERS RESIGNED						
Herbert J. Scheidt[5]	Chairman	416.7	416.7		833.3	2,500.0
Dr. Frank Schnewlin[6]	Vice-Chairman					61.2

1 Allocation of shares of Vontobel Holding AG that are subject to a holding period of three years, during which they cannot be sold.
2 Contribution to pension funds
3 Member of the Board of Directors since April 20, 2021; Chairman of the Board of Directors since April 6. 2022
4 Member of the Board of Directors since April 20, 2021
5 Retired from the Board of Directors on April 6, 2022
6 Retired from the Board of Directors on April 20, 2021

Additional fees, related parties and similar information
None.

Former members of the Board of Directors
Compensation paid to members of the Board of Directors who stepped down during or prior to the previous year: None.

Holdings of shares and options (audited information)

			31.12.2022 OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE			31.12.2021 OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE	
NAME	FUNCTION	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS
Andreas E.F. Utermann	Chairman	719					
Bruno Basler	Vice-Chairman	19,835			18,876		
Dr. Maja Baumann [1]	Member	6,663			5,704		
Dr. Elisabeth Bourqui	Member	5,524			3,759		
David Cole	Member	6,213			5,254		
Dr. Michael Halbherr	Member	719					
Stefan Loacker	Member	4,453			3,494		
Clara C. Streit	Member	12,293			11,334		
Björn Wettergren [1]	Member	6,417			5,458		
MEMBERS RESIGNED							
Herbert J. Scheidt	Chairman				392,388		

The calculation of the number of shares at the time of exercise reflects the exchange ratio of the respective options.
The above figures also include the share and option holdings of parties related to the members of Vontobel's governing bodies.
1 The figures stated do not include the indirect participations of members of the Board of Directors Dr. Maja Baumann and Björn Wettergren held through a group of shareholders ("shareholder pool") bound by a shareholder pooling agreement. Further information on the shareholder pool is provided in the Corporate Governance Report on page 31.

Loans to governing bodies (audited information)

As of December 31, 2022 no loans and credits to members of the Board of Directors were outstanding (previous year: CHF 0,0). As of December 31, 2022 and December 31, 2021 no fully secured loans and credits to related parties were outstanding. No loans to former members of the Board of Directors were outstanding that were not granted according to standard terms and conditions.

Compensation of the Executive Committee

Compensation system

Compensation principles

The principle of "Pay for Performance" applies at Vontobel. The compensation system was structured in such a way as to ensure that the level of compensation paid to the members of the Executive Committee tends to be lower than the market rate in the first few years after they join the company but can increase if a good performance is achieved over more than three years thanks to the share participation plan. As a result, the members of the Executive Committee tend to have a relatively low base salary but receive higher variable compensation – provided Vontobel and the Client Unit or Center of Excellence they oversee perform well.

In the allocation of variable compensation, quantitative and qualitative objectives are assigned equal weighting when measuring and evaluating performance. In this context, the NCC takes account of criteria including:

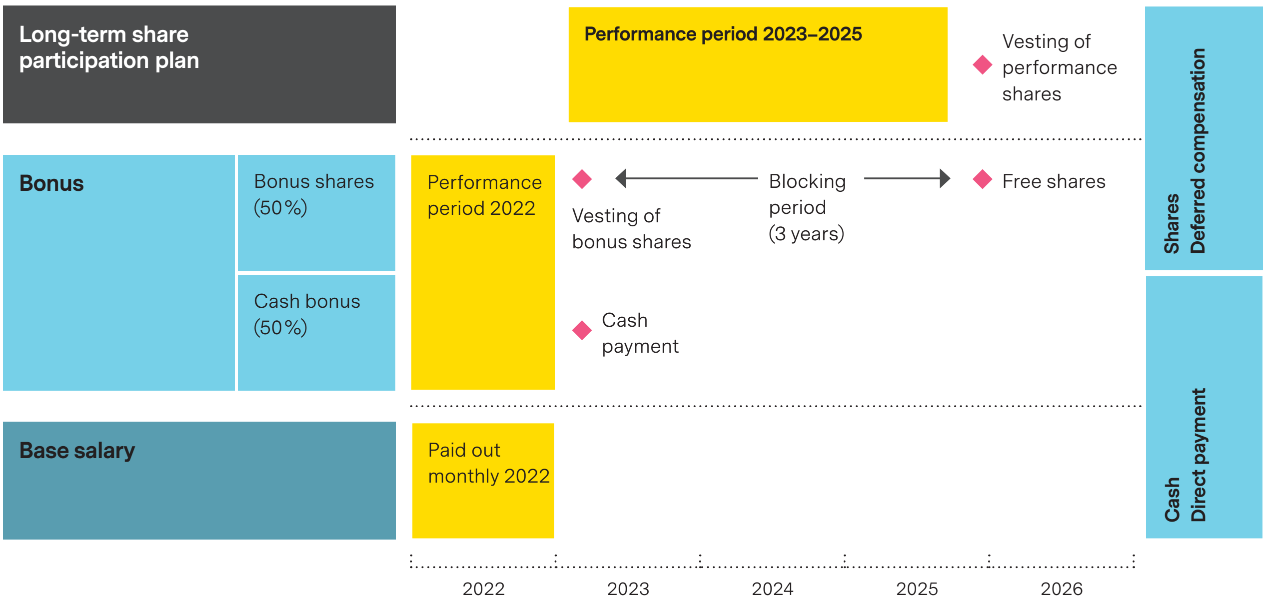
- Performance of each member of the Executive Committee
- Financial performance of Vontobel and the relevant Client Unit / Center of Excellence
- Performance measured in relation to the finance industry peer group
- Current market rates of compensation and efforts to achieve a compensation policy with a long-term focus, and
- Balanced distribution between groups of stakeholders

Formula-based compensation is not used for members of the Executive Committee at Vontobel. The Board of Directors reaches the final decision about the compensation proposals for the General Meeting of Shareholders at its own discretion.

Compensation components

The compensation of the Executive Committee consists of a fixed compensation component (annual base salary) and a variable compensation component (bonus and long-term share participation plan). The fixed compensation component is determined on the basis of the individual function. The variable compensation component is determined on the basis of collective and also individual performance. This approach is designed to ensure that the compensation of the Executive Committee is largely dependent on the achievement of ambitious performance objectives.

Overview of Executive Committee compensation components:



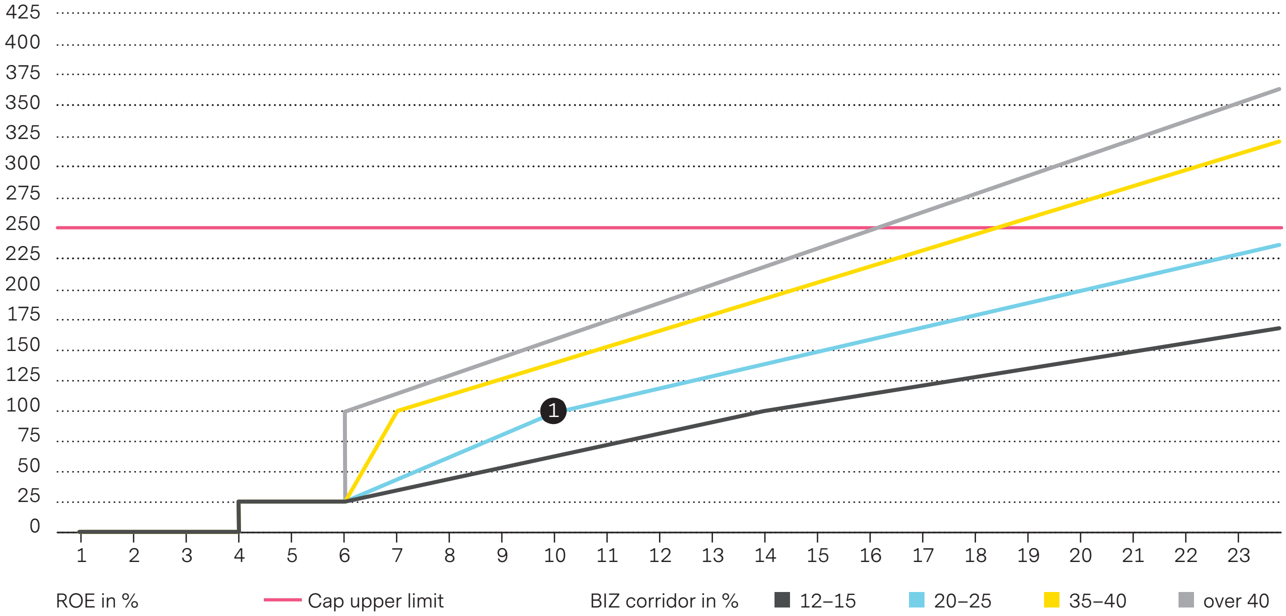
The compensation of the members of the Executive Committee consists of the following components:

COMPENSATION COMPONENTS

Base salary	100% paid in cash	The base salary of each member of the Executive Committee is determined individually. The level of base salary is in line with our international peer group and is generally lower than the base salaries paid by our Swiss peers.
Bonus	50% paid in cash (cash bonus)	The bonus is based on the collective and individual achievement of quantitative and qualitative objectives. The bonus is paid half in cash and half in bonus shares.
	50% paid in shares (bonus shares)	Bonus shares are allocated at an accepted value of 80% of the average price in the month of December of the year prior to the year in which the bonus is paid out. These shares are blocked for three years from the date of vesting and may not be sold, pledged or transferred during that period. If the company achieves a sustained good performance and its share price rises during the blocking period, the value of the bonus shares increases accordingly. However, if the share price falls, the bonus subsequently decreases – resulting in a dual financial loss for the member of the Executive Committee, since taxes have already been paid on the basis of the higher share price. This model ensures that members of the Executive Committee can participate in the successful performance of the company while also sharing the risks in the event of poor financial results. If the employment relationship is terminated, bonus shares that have already been allocated remain in the ownership of the individual members of the Executive Committee and continue to be subject to the blocking period even after the period of employment has ended. Further details of the share participation plan can be found in the brochure "Vontobel Share Participation Plan" at: www.vontobel.com/compensation-report
Long-term share participation plan	100% paid in shares (performance shares)	Vontobel also pays part of its compensation in the form of long-term incentive components. They are paid in the form of registered shares of Vontobel Holding AG (performance shares) and are designed to promote loyalty to the company. Three years after receiving bonus shares, members of the Executive Committee are entitled to receive additional shares, known as performance shares (long-term incentive) if vesting conditions are met. This right depends on the performance of the business over the last three years, hence the name "performance shares", as well as on the number of bonus shares received. When determining the performance of the business, Vontobel's average return on equity (ROE) and average risk profile (BIS Total Capital Ratio) are taken into account. The multiplier resulting from these two parameters is defined using the average over the relevant performance period (the last three years or the last six half-year values). This ensures that the achievement of a high return on equity in combination with a low risk profile is rewarded more generously than the achievement of a high return on equity in combination with a high risk profile. One condition for the vesting of performance shares is that an average Group-wide return on equity of at least 4% is generated over the relevant three-year period. In addition, the BIS Total Capital Ratio must exceed 12%. If one of these requirements is not met, all rights to performance shares lapse (see chart on the next page for further details). Performance shares are only awarded to members of the Executive Committee who remain in an employment relationship on which notice has not been served three years after they received the bonus shares. In this way, performance shares also play an important part in ensuring that the Executive Committee is focused on the stable and successful development of Vontobel over the long term and in promoting loyalty to the company.
Employee benefits		The members of the Executive Committee receive the same pension fund benefits as all other employees in Switzerland.
Other compensation		In general, the members of the Executive Committee do not receive any special additional benefits. They have the same additional benefits as all other employees in the location and the unit in which they work.

This chart shows the payout ratio for performance shares for selected BIZ ranges:

Payout ratios for performance shares
Performance shares as a % of bonus shares (multiplier)



If an average ROE of 10 percent is generated and the average BIS Total Capital Ratio is 20–25 percent, the member of the Executive Committee would, for example, receive 100 percent of the performance shares at the end of the three-year performance period based on the current perspective. This means that the member would receive the same number of shares as performance shares that he or she already received as bonus shares at the beginning of the performance period (see point 1 in chart). The payout ratio or the multiplier used for the calculation of performance shares (as shown above) is capped at a maximum of 250 percent for members of the Executive Committee.

Additional amount

If new members are appointed to the Executive Committee and take up their position at Vontobel after the General Meeting of Shareholders has approved the maximum aggregate amount of fixed compensation for members of the Executive Committee for the financial year concerned, an additional amount may be used for the compensation to be paid to these new members. The additional amount for each compensation period and for each new member corresponds to 40 percent of the last approved maximum aggregate amount of fixed compensation of the Executive Committee. This additional aggregate compensation includes any compensation for disadvantages incurred in the course of a change of employment (sign-on bonuses). If the additional amount is not sufficient to compensate for these disadvantages, the amount of the sign-on bonus exceeding the additional amount must be submitted to the next Ordinary General Meeting for approval.

Objectives and their achievement

The Executive Committee has a sustained influence on the implementation of Vontobel's strategy and consequently on its business activities. In addition to this overall responsibility, the CEO and the other members of the Executive Committee are assigned quantitative and qualitative objectives, which are listed in the scorecard. Since each member of the Executive Committee performs a different function within the company, the objectives are individually aligned to the areas of responsibility of each member of the Executive Committee. In this context, the CEO's objectives serve as the basis for the individual objectives of the other members of the Executive Committee.

The following objectives were defined for the Executive Committee for 2022 and were evaluated by the Board of Directors:

QUANTITATIVE OBJECTIVES (50%)		EVALUATION[1]
Finance	– Achieve or exceed budget – Generate net inflows of new money – Enhance operating efficiency – Increase return on equity – Maintain capital position that significantly exceeds regulatory requirements	**Inconsistent performance**
Strategy	– Implement strategic growth initiatives and priorities based on the defined interim goals for growth – Further strengthen core competencies – Drive organic growth in target markets – Capture opportunities created by technology – Supplement growth through M&A	**Effective performance**

QUALITATIVE OBJECTIVES (50%)		EVALUATION[1]
Behaviour	– **Client focus** – always seek the best solution to deliver sustained success for our clients and Vontobel; strengthen client focus across all areas of Vontobel, especially through the implementation of specific customer journeys – **Results-driven approach** – achieve impact by focusing on objectives and results; think long term in order to realize sustainable and competitive growth – **Compliant conduct** – act with integrity and remain independent at all times; provide advice in accordance with our Code of Conduct and our guidelines and take appropriate account of risks; take comprehensive measures to guarantee continuous compliance with laws and regulatory requirements, with a particular emphasis on the recognition of risks related to money laundering; ensure the protection of client data and compliance with all applicable legal requirements	**Highly effective performance**
Leadership and development	– **Inspirational leadership** – recruit, retain, support and develop the best talent; define ambitious objectives and motivate employees to raise the benchmark for client service and quality of work; inspire others to deliver a top performance – **Transformative leadership** – demonstrate flexibility and be capable of leading in new operating conditions and adapting to them constructively; reach clear decisions and share them with the team – **Communication** – share own knowledge and experience with others; promote constructive collaboration as a team across functions and borders – **Diversity and Inclusion** – create an open and trustworthy environment that is free of prejudice and promotes diversity and equal opportunities	**Highly effective performance**

[1] Vontobel Evaluation Grid: 1 Unsatisfactory performance / 2 Inconsistent performance / 3 Effective performance / 4 Highly effective performance / 5 Outstanding performance contribution

Based on its performance in a challenging market environment during the year under review, the Executive Committee achieved or exceeded part of the objectives set for the financial year 2022. Financial objectives were the only targets where its performance was rated as "inconsistent" in 2022. The exceptional conditions in financial markets in 2022 adversely affected the achievement of financial objectives. Wealth Management achieved pleasing growth in net new money of 5.6 percent, which was within Vontobel's target range. In Asset Management, growth in net new money was negative at –7.4 percent, as institutional investors around the world have generally reduced risks since February 2022 – especially in the case of actively managed assets – and they have tended to defer reinvestments to the future. Vontobel generated operating income of CHF 1,285.1 million in 2022, down 16 percent compared to the prior year (CHF 1,536.6 million). Compared to 2020 (CHF 1,265.5 million), however, operating income rose slightly (+2 percent). In view of the market environment, Vontobel delivered a satisfactory Group net profit of CHF 229.8 million, down by 40 percent from the record Group net profit of CHF 383.8 million in 2021.

In a challenging operating environment in 2022, Vontobel continued to generate a good return on equity of 11.2 percent on its strong capital base, although this was somewhat below its mid-term target of 14 percent. Despite the acquisition of UBS Swiss Financial Advisers AG (SFA), which was fully funded with cash from Vontobel's balance sheet, the CET1 capital ratio increased to 16.7 percent at the end of 2022 (end of 2021 16.6 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, rose to 23.8 percent (end of 2021 23.4 percent). The capital ratios continue to substantially exceed the requlatory minimum requirements defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel. Our own mid-term targets were thus also exceeded.

The Executive Committee successfully executed its strategic objectives in 2022. Many of the strategic priorities for 2020 to 2022 were achieved as planned. Vontobel is today one of the strongest brands in the Swiss financial sector. In addition, Vontobel has strengthened its market position in its focus markets, which represent more than 80 percent of global wealth. The acquisition of UBS' wealth management business for North American clients – UBS Swiss Financial Advisers AG (SFA) – that was announced in December 2021 as part of Vontobel's long-term growth strategy in the US progressed as planned. Vontobel is today the largest Swiss-domiciled wealth manager for US clients seeking an account in Switzerland for diversification purposes. Digital wealth management represented another focus topic in 2022. We have made targeted investments in digital solutions to take account of the growing client desire for hybrid advisory models combining personal and digital advice.

The Executive Committee consistently exceeded its qualitative objectives. For example, it further strengthened Vontobel's positioning in the market and vis-a-vis all stakeholders. A strong emphasis was placed on client focus. To deliver the best solutions and generate sustained success for our clients, the Executive Committee has, in particular, introduced specific Customer Journeys. In this context, ever stricter regulatory requirements have been implemented in good time. To achieve our targets and ensure we maintain a long-term view, it is essential to have an inspiring and dedicated leadership team in place that promotes talented employees in a targeted way, motivating them and setting the right objectives. Vontobel is about taking ownership, adopting a forward-looking approach and thinking independently for the benefit of our clients. Our sharper identity sends out a clear signal and is an expression of what motivates us and how we create value for our clients.

Actual compensation (audited information)

Compensation for the financial year
The aggregate compensation of the Executive Committee decreased by 43 percent compared to the previous year. The variable bonus awarded to members of the Executive Committee based on an evaluation of their achievement of individual objectives was, on average, 1.08 times their base salary (previous year: 2.32).

Compensation of the members of the Executive Committee for the financial year

FINANCIAL YEAR	FIXED COMPENSATION BASE SALARY CHF M	PENSION CHF M	OTHER COMPENSATION[1,6] CHF M	PERFORMANCE-RELATED COMPENSATION BONUS PAID IN CASH[2] CHF M	BONUS PAID IN SHARES[2,3] CHF M	TOTAL[4,5] CHF M	NUMBER OF RECIPIENTS
2022	3.0	0.5	0.0	1.6	1.6	6.7	4
2021	3.0	0.5	1.2	4.0	3.0	11.7	5
Change vs 2021 in %	0	20	–100	–60	–47	–43	–20

1 Other short-term employee benefits comprise claim payments, family allowance payments and preferential interest rates for mortgages.
2 Financial year 2022: Subject to the approval of the General Meeting of Shareholders 2023
3 A total of 33,262 (previous year 47,111 Vontobel Holding AG shares were allocated to members of the Executive Committee. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
4 Excluding flat rate compensation for expenses and employer contribution to AHV / IV / ALV.
5 The expense relating to performance shares is not included in "Total compensation for the financial year". The allocation of performance shares is shown separately in the following table "Allocation of shares from the long-term employee share-based benefit program".
6 2021: Includes a lump-sum death benefit to a former member of the Executive Committee.

Allocation of shares from the long-term employee share-based benefit program

	2022 CHF M OR NUMBER	2021 CHF M OR NUMBER	CHANGE TO 2021 CHF M OR NUMBER	IN %
Market value of performance shares at the date on which they were allocated in CHF M[1]	4.9	3.3	1.6	48
Number of performance shares allocated	71,645	45,178	26,467	59
Total number of persons receiving compensation	**2**	**2**		
Market value of performance shares to former members of the Executive Committee at the date on which they were allocated in CHF M	*6.6*	*6.2*	*0.4*	*6*
Number of performance shares allocated to former members of the Executive Committee	*97,381*	*85,856*	*11,525*	*13*
Number of persons receiving compensation (former members of the Executive Committee)	*4*	*5*	*–1*	*–20*

The allocated performance shares are a long-term component of the compensation system and, as such, are not included in the previous table "Compensation for the financial year". Instead, they are shown separately in this table.
1 In accordance with the relevant IFRS rules the cost recorded as equity compensation benefits was CHF 3.8 M (previous year: CHF 2.5 M) and was included on a pro rata basis over the vesting period.

Highest total compensation for the financial year

FINANCIAL YEAR	NAME	FUNCTION	FIXED COMPENSATION BASE SALARY CHF 1,000	PENSION PLAN CHF 1,000	OTHER COMPENSATION CHF 1,000	PERFORMANCE RELEATED COMPENSATION BONUS PAID IN CASH CHF 1,000	BONUS PAID IN SHARES[1] CHF 1,000	TOTAL CHF 1,000
2022	Dr. Zeno Staub	CEO	1,000.0	153.0		650.0	650.0	2,453.0
2021	Dr. Zeno Staub	CEO	1,000.0	153.0		1,600.0	1,600.0	4,353.0

To determine the member of the Executive Committee with the highest total compensation, the conditional rights to receive performance shares associated with bonus shares are included in the calculation with a weighting of one performance share per bonus share.
1 The member of the Executive Committee was awarded 13,619 shares (previous year 25,551 of Vontobel Holding AG as part of his compensation for the year under review. These shares are subject to a holding period of three years, during which they cannot be sold. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period. Those values will be known in spring 2024 respectively 2025 (cf. previous section "compensation components").

Allocation of shares from the long-term employee share-based benefit program to the member with the highest total compensation

	31.12.2022	31.12.2021
Number of performance shares allocated	51,620	32,270

The number of performance shares allocated is calculated on the basis of the number of bonus shares received for the financial year 2018 (previous year 2017) as well as the performance of the business in the years 2019 to 2021 (2018 to 2020).

Vesting of performance shares

The increase in profitability in recent years resulted in a pleasing increase in the return on equity in the performance period from 2020 to 2022. The average return on equity was 14.4 percent and the average BIS Total Capital Ratio was a solid 22.2 percent. Consequently, the multiplier for performance shares from the 2019 bonus, which will vest in spring 2023, is 144 percent.

Multiplier of performance shares that have vested since 2004

The following table shows the key data and the multiplier since the introduction of the long-term share participation plan in 2004:

			DETERMINING FACTORS MULTIPLIER			
SERVICE PERIOD (BUSINESS YEAR)	PERFORMANCE PERIOD	ALLOCATION YEAR	AVERAGE RETURN ON EQUITY (ROE)	AVERAGE BIS TOTAL CAPITAL RATIO[1]	MULTIPLIER	MARKET PRICE AT ALLOCATION DATE IN CHF
2004	2005–2007	2008	18.9%	23.7%	189%	36.85
2005	2006–2008	2009	16.2%	22.1%	162%	24.00
2006	2007–2009	2010	12.2%	21.6%	122%	32.25
2007	2008–2010	2011	9.2%	21.5%	85%	36.40
2008	2009–2011	2012	9.0%	23.1%	81%	22.00
2009	2010–2012	2013	8.6%	24.6%	74%	30.95
2010	2011–2013	2014	7.9%	25.8%	73%	32.15
2011	2012–2014	2015	8.3%	25.1%	83%	43.35
2012	2013–2015	2016	9.6%	22.3%	93%	41.75
2013	2014–2016	2017	13.0%	20.1%	130%	55.60
2014	2015–2017	2018	14.5%	18.6%	121%	61.80
2015	2016–2018	2019	14.7%	18.8%	123%	55.20
2016	2017–2019	2020	13.4%	19.0%	112%	64.00
2017	2018–2020	2021	13.5%	19.3%	113%	72.55
2018	2019–2021	2022	15.4%	20.3%	154%	68.05
2019	2020–2022	2023	14.4%	22.2%	144%	n/a

1 Up to 31.12.2012: BIS Tier 1 Capital Ratio

Additional fees, related parties and similar information

None.

Former members of the Executive Committee

No compensation was paid to former members of the Executive Committee in 2022. The table “share allocation from the Long-Term Incentive Program” shows the allocation of performance shares to former members of the Executive Committee.

Holdings of shares and options (audited information)

		31.12.2022			31.12.2021		
			OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE			OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE	
NAME	FUNCTION	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS
Dr. Zeno Staub	CEO	158,770			135,719		
Dr. Thomas Heinzl	CFO / CRO	15,254			7,269		
Dr. Maria-Antonella Bino	General Counsel	4,791					
Felix Lenhard	COO	55,474			50,968		

The above figures do not include rights to receive performance shares.
The calculation of the number of shares at the time of exercise reflects the exchange ratio of the respective options.
The above figures also include the share and option holdings of parties related to the members of Vontobel's governing bodies.

Loans to governing bodies (audited information)

As of December 31, 2022, fully secured loans and credits to and the promise of payment in favour of members of the Executive Committee of CHF 0.3 million were outstanding (previous year CHF 0.5 million). Thereof the highest amount; Dr. Thomas Heinzl, CFO / CRO, CHF 0.3 million. No loans to former members of the Executive Committee were outstanding that were not granted according to standard terms and conditions.

Compensation of other employees

Compensation system

Compensation principles

Employee compensation is essentially based on the same model as for the Executive Committee and consists of the same components. Differences may arise in the case of individual employees due to market-specific compensation models for individual job profiles or due to local regulatory requirements.

Long-term participation plan

In principle, the same participation plan is available to Vontobel employees as to the Executive Committee. However, the mandatory portion of the bonus that has to be taken in the form of shares differs between employees and members of the Executive Committee. Employees can opt to receive 25 percent of their bonus in the form of bonus shares of Vontobel Holding AG. For bonus amounts exceeding CHF 100,000, it is mandatory for employees to take 25 percent of the bonus in the form of shares. Individual employees who exercise roles that are defined by the Board of Directors as special positions are required to take 33 percent of their bonus in the form of shares.

Variable Compensation Agreements

Additional agreements known as variable compensation agreements are used in the case of individual portfolio managers in the Center of Excellence Investments. As a result of these agreements, a part of the bonus for the concerned employees is linked to the performance of funds and is blocked for a period of three years. The cash portion of the bonus is reduced accordingly. Their participation in the share participation plan is not affected by this. These agreements align the interests of portfolio managers with those of clients. Furthermore, it increases the loyalty of the employees concerned to Vontobel and also fulfils regulatory requirements in certain countries.

Vontobel Asset Management USA

Vontobel Asset Management USA has a compensation system in place that is aligned with local compensation practices. In addition, certain employees receive variable compensation that is not part of the Group-wide bonus pool. To align the interests of portfolio managers and clients, their part of the bonus that exceeds a specific threshold, is linked to the performance of funds and is blocked for a period of three years. Other employees take part in the Group-wide participation program.

TwentyFour Asset Management

With the acquisition of the remaining 40 percent of TwentyFour Asset Management by Vontobel as of 30 June 2021, its compensation model was also revised and aligned with that of Vontobel. In particular, elements of the “Vontobel Share Plan” and those of the “Variable Compensation Agreement” were included.

Confirmation of compliance with equal pay between women and men

Bank Vontobel AG and Vontobel Asset Management AG comply with the principle of equal pay for men and women. As part of the new legal framework, an internal equal pay analysis was successfully carried out by external experts. The correct implementation of this analysis was subsequently verified by the Social Partnership Office for Equal Pay in the Banking Industry (SF-LoBa).

Context

The Federal Act on Gender Equality (GEA) was revised as of July 1, 2020 and supplemented by an obligation for employers to conduct an internal equal pay analysis. The revision of the law affects employers with 100 or more employees and aims to enforce the constitutional right to equal pay for equal work and work of equal value (Art. 8 para. 3 BV).

Analysis method

An in-house pay equity analysis must be based on a demonstrably scientific method that is legally compliant for Switzerland. Such an analysis statistically examines whether equal pay is being complied between all women and men of an employer. Equal pay within the company is deemed to have been observed as long as any remaining unexplained pay difference is within the specified tolerance threshold of 5 percent.

Basis of analysis

Bank Vontobel AG and Vontobel Asset Management AG decided to have the analysis carried out by external experts. For this purpose, the Competence Centre for Diversity and Inclusion (CCDI-FIM) of the HSG prepared a statistical pay equality analysis using the Logib method. The analysis was carried out within the statutory deadline with a cut-off date of 30 April 2021. The 1515 employees of Bank Vontobel AG and 239 employees of Vontobel Asset Management AG in employment at that date were taken into account. In accordance with the law, the only employees excluded from the analysis were apprentices, interns, temporary employees, seconded employees as well as disability and similar special cases.

Analysis result

The result of the analysis shows that Bank Vontobel AG and Vontobel Asset Management AG comply with the internal pay equality between women and men within the specified tolerance threshold of "Logib" and therefore the label "Equal pay audited in accordance with the requirements of the Equal Opportunities Act" could be issued.

Social partnership control

The revised GEA requires an additional, independent check of the equal pay analysis carried out. Bank Vontobel AG and Vontobel Asset Management AG have decided to take advantage of the possibility of a social partnership review. The Social Partnership Office for Equal Pay in the Banking Industry (SF-LoBa) reviewed the analysis and confirmed not only that it was formally correct, but also that it complied with all the requirements of the SF-LoBa industry seal of approval.

Questions and answers

Questions have repeatedly arisen in discussions with our investors and shareholders as well as when performing comparisons of Vontobel's compensation system with other compensation models. We carefully address these questions and assess their relevance for Vontobel. We have, among other things, responded to calls for complete transparency. In the following section, we look at the most important questions:

Objectives

Why doesn't the Compensation Report contain more detailed disclosures on objectives and the extent to which they are achieved?

Quantitative and qualitative objectives are agreed and measured for each member of the Executive Committee. Due to competition considerations, we disclose objectives and the extent to which they are achieved on an aggregate basis because we don't wish to provide an insight into individual strategic objectives or the individual achievement of objectives.

Caps (relative or absolute limit on compensation)

Why has Vontobel not imposed any caps on bonuses?

Individual caps on variable compensation result in upward pressure on fixed compensation. This development would lead to a less flexible cost structure and would not be in line with our corporate and performance culture, which have a long-term focus. Consequently, Vontobel has not imposed any relative or absolute caps on variable bonuses.

Vontobel has a balanced compensation system that ensures only sustained performance is rewarded. In the past, compensation was therefore always consistent with performance and the achievements of objectives. Furthermore, all compensation is put to the vote at the General Meeting of Shareholders (on a prospective basis for fixed compensation and on a retrospective basis for variable compensation). This gives shareholders full control over the compensation that is paid out.

Why has Vontobel not defined any caps for the share participation plan?

Our Long-term Incentive Program is risk-adjusted and has a natural cap, since the return on equity and Total Capital Ratio parameters run counter to each other on the one hand and have a de facto maximum limit on the other.

For example, since Vontobel was listed on the stock market in 1986, the return on equity has never exceeded 21.6 percent – the value achieved in 2006 prior to the financial crisis.

The increase in the capital ratio is also limited. On the one hand, Vontobel distributes a major proportion of its annual net profit to shareholders in the form of a dividend. On the other hand, the remaining profit is retained to finance organic growth and potential acquisitions. Consequently, an increase in the capital ratio can only be achieved slowly. However, we recognize that the calculation of performance shares is purely formulaic and therefore has no upper limit in theory. For this reason, we have decided to introduce a cap of 250 percent on the multiplier used for the calculation of performance shares for members of the Executive Committee from 2019.

Target bonus

Why has Vontobel not introduced a target bonus?

The introduction of an additional rule in the form of a target bonus would not create any added value in the current process to determine compensation, since a retrospective vote on the concrete bonus amounts is held at the General Meeting of Shareholders.

Shares for employees

Does Vontobel increase its share capital in order to allocate bonus and performance shares?

Vontobel purchases all of the shares required for the compensation of the Board of Directors, Executive Committee and employees in the market. This ensures that our compensation system does not result in any dilution of shareholders.

Discount on shares

Why is a 20 percent discount applied to the shares allocated to employees?

The discount is to be viewed as a component of overall compensation and, as such, also forms part of the contractual negotiations with potential employees. In addition, the discount is a further incentive for employees to opt to receive shares despite the three-year blocking period.

Employees – excluding the Board of Directors and Executive Committee – have the option of receiving shares if their bonus is less than CHF 100,000. The discount serves here as an additional incentive to participate in the company over the long term. Shareholder interests are thus broadly anchored across the company. Vontobel shares received as part of the bonus are valued at the average share price on the SIX Swiss Exchange in the month of December and a 20 percent discount is applied to reflect the three-year blocking period.

Peer comparison in participation plan

Why isn't the performance of the peer group or a benchmark index incorporated into the long-term participation plan based on a formula, e.g. through the relative Total Shareholder Return (TSR)?

Peer performance is naturally taken into account by Vontobel when determining variable compensation. Rather than using a formula-based component, it is taken into account via an individual quantitative and qualitative comparison, which is incorporated into the bonus allocation. Furthermore, if a relative TSR were to be taken into account, this would entail the risk of management adopting a procyclical approach. Management would, for example, have an incentive to participate in short-term market trends to avoid the share price coming under pressure – even if this would not make any sense for Vontobel in terms of business policy or from a long-term perspective.

In addition, it is only possible to compare different companies to a limited extent, since the TSR and share price always incorporate company-specific and market-specific factors that would then need to be individually "corrected" or "normalized".

Capital costs in compensation model

Why are capital costs not taken into account in Vontobel's compensation model?

Vontobel has set itself the target of generating a return on equity of at least 14 percent. This minimum requirement means that the cost of capital is taken into account when defining management objectives. In addition, all rights arising from the long-term share participation plan lapse if the average return on equity falls below 4 percent.

Why do performance shares vest if the return on equity is 4 percent and is therefore below the cost of capital?

The participation plan is designed to promote employee loyalty to the company over the long term. For this reason, the compensation model provides for an allocation of performance shares even if the return on equity is 4 percent, i.e. below the cost of capital. However, a correspondingly low allocation applies (25 percent). We expect the costs of the participation plan to be reduced significantly if a low return on equity is generated.

Mandatory share ownership requirements

Why is there no mandatory requirement for members of the Board of Directors and the Executive Committee to hold shares in Vontobel?

Our compensation model results in the Board of Directors and Executive Committee building up a significant shareholding over time. In the case of the Executive Committee, for example, the mandatory requirement to take 50 percent of the bonus in shares automatically results in a minimum holding of Vontobel registered shares with a value equivalent to 50 percent of the variable compensation paid over the last three years. For this reason – and because management has not sold all of the shares that became free – the Executive Committee had an aggregate holding of Vontobel shares corresponding to 5 times its base salary at the end of 2022.

Clawbacks

Why are there no clawbacks at Vontobel?

Vontobel has so far intentionally refrained from introducing clawbacks since they can give rise to the temptation to not disclose challenges and problems in order to avoid any clawbacks. Instead, Vontobel encourages and cultivates a corporate culture in which problems are disclosed, discussed and actively addressed. Furthermore, clawbacks are very difficult to enforce in practice and can only be implemented under certain circumstances.

Total compensation

Why doesn't Vontobel disclose the total amount of current compensation plus the value of vested shares from earlier participation plans?

Vontobel provides a high level of transparency about compensation. Vontobel is one of a small number of companies that report allocated performance shares at vesting, meaning that the actual – rather than model-based or calculatory – compensation is shown.

If the compensation from the participation plan 2019 were to be added to the compensation for 2022, this would provide a misleading picture since the compensation stems from different periods.

Building a better working world

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2023

Report of the statutory auditor on the audit of the compensation report

Opinion
We have audited the compensation report of Vontobel Holding AG (the Company) for the year ended 31 December 2022. The audit was limited to the information on remuneration, loans and advances pursuant to Art. 14-16 of the Ordinance against Excessive Remuneration in Listed Companies Limited by Shares (Verordnung gegen übermässige Vergütungen bei börsenkotierten Aktiengesellschaften, VegüV) in the tables marked "audited information" on pages 53 to 81 of the compensation report.

In our opinion, the information on remuneration, loans and advances in the compensation report (pages 53 to 81) complies with Swiss law and Art. 14-16 VegüV.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the remuneration report" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked "audited information" in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor's reports thereon.

Our opinion on the remuneration report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the remuneration report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the remuneration report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the remuneration report
The Board of Directors is responsible for the preparation of a remuneration report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error. The Board of Directors is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the remuneration report
Our objectives are to obtain reasonable assurance about whether the information on remuneration, loans and advances pursuant to Art. 14-16 VegüV is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this remuneration report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the remuneration report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Andreas Blumer (Qualified Signature)	Philipp Müller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Corporate Responsibility & Sustainability

Foreword

2022 was a year of major political and economic challenges. The democratic states of Europe were severely impacted by the outbreak of war in a form that was no longer believed possible. The peace dividend that has brought widespread political stability and certainty in Europe since 1945 has now been exhausted. As a result of the conflict, western-oriented Europe is now confronted with economic and social challenges – some of them severe – especially in the areas of energy supply and energy security. Rising prices in the energy markets have driven inflation even higher, with the rate of inflation reaching double digits in some countries. Against the backdrop of political upheaval and the related economic and social challenges that have affected households, companies and entire economies, it is important to ensure that we continue to rigorously drive forward the transition to a more sustainable economy and society, which is a matter of existential importance for us.

As a global investment firm and a corporate citizen, we are committed to helping actively shape this transition to the best of our capabilities and reach. We want to contribute to the realization of the UN Sustainable Development Goals (SDGs) and we are committed to supporting the Paris Agreement and its goal of limiting the rise in global temperatures to well below 2°C, with a target of 1.5°C.

To enable us to further sharpen the focus of Vontobel's sustainability efforts, the Board of Directors and the Executive Committee developed the Group's Sustainability Positioning, with our six Sustainability Commitments, and defined them as a strategic foundation from 2023 onwards. These Commitments set out how we want to achieve our own transition as a company towards net-zero, and how we want to empower our clients with the knowhow, advice and investment solutions they need to realize their sustainability ambitions. The Commitments also define how we want to offer our employees an inclusive working environment in which they can actively contribute to Vontobel's success.

In our Sustainability Report 2022, we strive to report transparently on our sustainability efforts and achievements, as well as on the road ahead as we work towards our goals.

We are guided by the conviction that our company can only achieve long-term success if we act in the interests of the communities around us and assume our environmental and social responsibilities. This has been our belief ever since Vontobel was founded in 1924.

Dr. Zeno Staub
Chief Executive Officer Vontobel

Our Sustainability Positioning

In 2022, the Board of Directors laid the strategic foundations for Vontobel's sustainability commitment from 2023 onwards. In collaboration with the Executive Committee, it defined the Group's Sustainability Positioning and six Sustainability Commitments. The Sustainability Commitments set out the key levers that we have as a global investment firm and as a corporate citizen to deliver on the promise we have made based on our Sustainability Positioning. The Board of Directors is informed regularly about the progress achieved in implementing the Sustainability Commitments.

We are working systematically across all our Client Units and Centers of Excellence to deliver on our six Sustainability Commitments and, in doing so, are helping drive the transition to a more sustainable economy and society. Thinking and acting sustainably is nothing new for Vontobel. A commitment to sustainability has been part of Vontobel's DNA ever since our company was founded in 1924.

Our Sustainability Positioning

"Sustainability has always been a focus for our owner families, now in their fourth generation.
As corporate citizens, we honor their commitment by contributing to the health of our local communities.
As a global investment firm, we empower investors with the necessary knowledge, tools and investment options to consider sustainability in the building of their better futures.
Through these efforts, we contribute to the UN's SDGs and aim for our impact to be proportionate to our reach."

Our stakeholders

- Clients
- Shareholders
- Employees
- Regulators
- Community

Our six Sustainability Commitments

Achieve net-zero by 2030 in our banking book investments and operations.
By 2030, we aim to be net-zero[1] with our greenhouse gas emissions (GHG) in our operations and banking book investments. Additionally, we aim to be net-zero with our GHG emissions in our trading book bond investments by 2050.

Continue creating a great workplace where everyone can thrive.
Our work practices advance equality, diversity, and inclusion and foster a workplace environment where everyone has the opportunity to develop and reach their full potential. Mutual respect and openness, without discrimination, shape our culture.

Empower our stakeholders to challenge us through governance and transparency.
We see transparency as a key tool for empowering our clients to track how we deliver on our sustainability ambitions. And we see good governance (the "G" in ESG) as a key mechanism to ensure delivery of our ESG strategy, at both the product and corporate levels. We report on our sustainability-related performance using state-of-the-art reporting standards.

1 Net-zero means achieving a balance between emissions and removals of GHGs from the atmosphere (ISO IWA 42:2022), Scope 1-3 in our own operations and Scope 1-2 in our banking book. Our commitment is aligned with the 2015 Paris Agreement goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We will step up our efforts to reduce emissions and will neutralize residual emissions at the net-zero target year and any GHG emissions thereafter.

Advise our private clients on the benefits, opportunities and risks of ESG investments.
We advise our private clients on the risk / return characteristics of ESG investments to help them build portfolios that meet their goals, and we want to offer them a comprehensive product shelf to choose from. This will entail the creation of sustainability profiles for clients, based on their investment needs, across different regions and jurisdictions.

Incorporate ESG consideration into active investment decisions.
We believe that ESG consideration is part of our fiduciary duty, requires investment team accountability, and demands transparency. For this reason, our investment teams subscribe to four ESG Investment Principles. This foundation enables us to offer a wide range of ESG solutions, in response to our clients' desired investment objective(s), which can be any one, or a balance of, the following:
1. optimizing risk-adjusted performance through the consideration of financially material ESG issues;
2. mitigating negative environmental and social impact from investments; and
3. investing in companies that provide products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs).

Be an active member of the local community.
Vontobel operates with the spirit of citizenship to foster quality of life in the places we live and work. We do this by providing jobs and enabling and encouraging our employees to play an active role in their local communities. Vontobel and the charitable Vontobel-Foundation have sponsored projects in the areas of social welfare, medical research, nature and culture since 1993.

Our SDG contribution

While sustainability may mean different things to different people, the SDGs have become a common denominator on how to address the economic, social and environmental dimensions of sustainable development.

In an historic vote on September 25, 2015, all United Nations member states ratified the Agenda 2030. At its heart are the 17 Sustainable Development Goals (SDGs) and their 169 targets. The SDGs represent an urgent call to action to tackle the global challenges we face, including climate change and inequality, as well as the need for peace and justice. The SDGs also provide an opportunity to develop and implement business-led solutions and technologies to address the world's biggest sustainable development challenges.

While the SDGs have been agreed by governments, all stakeholders – including governments, civil society, the world of academia, the private sector, and others – need to contribute to the realization of the new Agenda. This is precisely what Vontobel's stakeholders expect from us too.

We believe that the main contribution we can make is to Sustainability Goals 4, 5, 13 and 17, and to a lesser extent Goals 1, 3, 7 and 8.

Economic Sustainability

Member of the ICRC Corporate Support Group. Member of the Expert Commission Sustainable Finance of the Swiss Banking Association. Swiss Sustainable Finance Founding member.

Social Sustainability

Annual Diversity benchmarking with the University of St. Gallen and Advance. Apprenticeships and Graduate Training Program. Professional skills development curriculum for all employees. Extended parental leave. Annual Vontobel Fundraising Initiative on behalf of the ICRC. Donation of CHF 1 million in 2022 to support people in Ukraine.

Operations have been carbon-neutral since 2009 (Scope 1, 2 and 3). Commitment to net-zero by 2030 (operations and own banking book investments). Swiss Climate Foundation Founding member.

Environmental Sustainability

Vontobel's first sustainable investment solutions launched in the 1990s. ESG certification for relationship managers together with AZEK / CFA. ESG integration in Swiss Equity Research and Investment Advisory. Signatory to the PRI and the UK Stewardship Code. Three investment strategies with measurable impact on the SDGs.

ESG Investing

ESG Investing

Product portfolio

3-3 Management of material topics
For generations, Vontobel has acted and invested for the long-term. As an active investment firm, the integration of environmental, social and governance (ESG) factors into our product and service offering is a key part of our sustainability strategy. We incorporate ESG criteria into investment decisions to empower our clients to reach their financial goals, while also building a better future.

Investment solutions that incorporate ESG criteria
As a pioneer in this field, we have been offering our clients a range of investment solutions that incorporate ESG criteria since the 1990s. We focus on active asset management based on a multi-boutique model with independent centers of competence, highly specialized investment teams and dedicated ESG analysts.

Our investment teams subscribe to four common ESG Investment Principles because we believe that ESG consideration is part of our fiduciary duty, requires investment team accountability, and demands transparency. The implementation of these principles will be measured from 2023 onwards, using selected key performance indicators (KPIs).

This foundation enables us to offer a wide range of investment solutions, in response to our clients' desired investment objectives, which may be any one, or a balance of, the following:
– Optimizing risk-adjusted performance through the consideration of financially material ESG issues.
– Mitigating negative environmental and social impact from investments.
– Investing in companies providing products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs).

— Our ESG Investment Principles
1. We incorporate ESG considerations into our investment processes to enable our clients to better achieve their investment objectives.
Vontobel offers a wide range of ESG solutions. To ensure transparency and comparability, we have grouped all our investment solutions that integrate ESG criteria into three categories[1]:

1. "Integrated ESG Risks" (SFDR Article 6): Exclusion of controversial weapons and consideration of sustainability risks.

2. "Promote ESG" (SFDR Article 8): In addition to the integration of sustainability risks, these products consider material ESG factors and certain negative impacts on society and the environment during the investment process. Furthermore, subject to asset owners' consent and operational feasibility, voting and engagement are aligned with the ESG strategy, and ESG reporting is available.

3. "Sustainable" (SFDR Article 8 or 9): In addition to the criteria applied to the "Promote ESG" category, these products further apply exclusions of certain sectors and industries. Certain products invest in companies that contribute to the realization of environmental and / or social objectives. These companies play a positive role in the sustainable development of the economy and society and capture opportunities arising from this transition.

We currently manage more than 20 distinct strategies that integrate ESG criteria.

In 2022, we further developed our ESG product range. The investment processes of some funds were amended to meet SFDR Article 8 requirements under the EU framework. The "Promote ESG" category has been developed in this context. In 2023, we plan to revise our product categories and product classification based on anticipated regulatory changes, particularly in the EU.

See the graph "Investment solutions that incorporate ESG criteria" on page 95.

2. As active managers, we leverage the tools of engagement and voting.
Vontobel is a committed active owner and we incorporate ESG issues into our ownership policies and practices. Vontobel Asset Management has had voting and engagement policies in place since 2019.

We are convinced that voting and engagement can have a positive influence on companies, economies, societies, and the environment.

1 Since Vontobel is a globally active financial expert, not all of our products fall within the scope of the European regulation SFDR. At present, there is no uniform internationally recognized framework for financial products that integrate ESG criteria. In the case of investment solutions that are not subject to SFDR, the classification has been applied mutatis mutandis. SFDR stands for Sustainability Related Financial Disclosures Regulation, namely Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector. SFDR is not a labelling regime, but a disclosure regime. Accordingly, SFDR-article-products are not quality labels for sustainability and investors shall not take the mere presence of an SFDR-article-product disclosure as an indication of sustainability or quality label for sustainability per se.

FS10 Portfolio-based engagement on social or environmental issues
Each year, Vontobel publishes a Voting and Engagement Report (www.vontobel.com/voting), which provides examples of engagement. The report for 2022 will be published in mid-2023.

In 2021, we submitted votes at 1,777 Annual General Meetings and engaged with 124 companies. In addition, we have expanded our voting and engagement coverage through our new partnership with reo, a proxy voting services company with a track record of over 20 years.

3. Our investment teams are accountable for the application of our ESG Investment Principles.
In addition to central ESG resources, dedicated ESG analysts are fully embedded in many of the investment teams, with their work being integrated into the investment process. By embedding our ESG analysts in each investment boutique our clients benefit from deep expertise in specific asset classes.

Furthermore, an ESG center advises investment teams on the latest regulatory, market and product developments. In total, more than 17 employees work on ESG strategies.

The implementation of the ESG Investment Principles will be measured from 2023 onwards for each of our investment boutiques and will be part of the annual performance review.

4. We are committed to transparency through disciplined disclosure, reporting and dialogue with all our stakeholders.
Our goal is to provide relevant information to our clients, to explain how we are investing on their behalf. We report regularly on Vontobel's ESG activities through our:
- Corporate Responsibility & Sustainability Report
- ESG Integration and Stewardship Report
- Voting and Engagement Report

The reports are available at: am.vontobel.com/esg-investing.

In recent years, we further developed specialized reporting at product level such as:
- ESG data included in factsheets and standard presentations
- Impact reports for listed impact strategies
- Individual reports for clients.

Engaging in a dialogue with our clients and stakeholders is a central part of our commitment, reflected in client surveys such as "ESG: Breaking through the barriers" or our "ESG knowledge barometer".

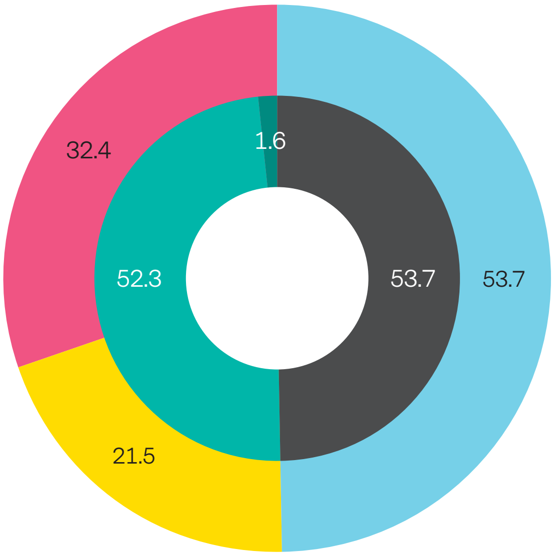
In 2022, Vontobel entered into an advisory partnership with the Financial Times Moral Money Forum and is participating in the FT Moral Money Forum's Advisory Board for 18 months. The FT Moral Money Forum examines important issues in the ESG debate and highlights the macro and philosophical questions involved, as well as exploring and presenting different solutions being developed by participating organizations. Through the advisory partnership, Vontobel has two seats on the Advisory Board, and we are thus helping to shape the topics covered in the Moral Money reports in 2023.

FS6 Percentage of the portfolio for business lines by specific region, size and by sector
See pages 21 and 217–219.

FS11 Percentage of assets subject to positive and negative environmental or social screening
At December 31, 2022, Vontobel had a total of CHF 107.6 billion of assets under management invested into solutions that incorporate ESG criteria (excludes Structured Investments). Due to rapid regulatory developments, categorization of Vontobel products has changed significantly and figures 2022 are comparable to previous years only to a limited extent. We excluded non-discretionary mandates and Actively Managed Certificates (AMCs) from the 2022 figures. Without these products, total investments solutions that incorporate ESG criteria would be CHF 141.6 billion in 2021 (58.1% of AUM), and CHF 126.2 billion in 2020 (57.4% of AUM).

Investment solutions that incorporate ESG criteria[1]

IN B CHF



Vontobel Categories
- Integrated ESG Risks
- Promote ESG
- Sustainable

SFDR Categories[2,3]
- Article 6 (Consider ESG risks)[4]
- Article 8 (Promote ESG characteristics)
- Article 9 (Sustainable investment objective)

IN B CHF	2022	2021	2020
Sustainable	32.4	36.4	30.4
Promote ESG[5]	21.5	-	-
Integrated ESG Risks	53.7	107.6	95.9
Total	**107.6**	**144.0**	**126.3**
IN % OF AUM[6]			
Sustainable	15.9	14.9	13.8
Promote ESG	10.5	-	-
Integrated ESG Risks	26.3	44.2	43.7
Total	**52.6**	**59.1**	**57.5**

1 Excludes Structured Investments
2 To ensure transparency and comparability, we have classified all of our investment solutions that integrate ESG criteria according to the SFDR. In the case of investment solutions that are not subject to SFDR, the classification has been applied mutatis mutandis. The change in AuM for the different SFDR categories in 2022 is partly due to a reclassification of products from Article 6 to Article 8.
3 SFDR is not a labelling regime, but a disclosure regime. Accordingly, SFDR-article-products are not quality labels for sustainability and investors shall not take the mere presence of an SFDR-article-product disclosure as an indication of sustainability or quality label for sustainability per se.
4 Article 6 of the SFDR relates to products that disclose if and how ESG risks are taken into account. For all of the investment solutions considered here, the continuous monitoring of ESG risks forms part of the risk management process. This chart only shows those products covered by Article 6 of the SFDR that take account of ESG criteria.
5 In 2022, we further developed our ESG product range. The investment processes of some funds were amended and formalized to meet SFDR Article 8 requirements under the EU framework. The "Promote ESG" category has been developed in this context. As a result of these changes, some products in the "Integrated ESG Risks" category have been reclassified to the "Promote ESG" category, among others.
6 Assets under management, see page 11.

— Structured Investments

For many years, Vontobel has ranked as one of the leading issuers with its structured solutions in Switzerland and the European Economic Area.

We believe that structured products are important components of a diversified financial investment. However, these products are not directly covered by the scope of application of the relevant European legislation related to sustainability aspects of financial products. If investors express certain sustainability preferences, the largest possible number of different products should be available to meet those individual preferences.

We basically look at two different levels of criteria when considering the specific sustainability features of a structured product: Criteria at the level of the issuer, or the company that the issuer belongs to, and criteria at the level of the underlying.

The classification of structured products and the identification of the sustainability features of a specific product is performed on the basis of Vontobel's ESG product and transparency standards. For example, in addition to applying a dedicated ESG strategy to the selection of potential underlyings and taking account of exclusion criteria at the level of the underlying, the only products that can be classified as products with sustainability features are investment products – not leverage products. Investment products that profit from a downward movement of the relevant underlying are also excluded from being classified as a structured product with sustainability features.

When selecting the underlying, Vontobel follows an ESG strategy that takes into account certain qualitative requirements (such as minimum exclusions) as well as other criteria (such as in-house research insights). Within the framework of the ESG strategy, the results of the respective Vontobel investment team as well as external data suppliers serve as the data source.

The respective Vontobel Competence Center conducts sustainability research for internal investment teams and external clients. Company- and country-specific ESG assessments are prepared based on an in-house analytical approach. The valuation model used takes into account a broad range of ESG indicators. It is based on a modified best-in-class approach: In each sector, those issuers that meet sector-specific ESG criteria (and are at least above average relative to other issuers) are eligible for investment. Stricter requirements apply in sectors with a major impact on the environment and society. For a core universe of issuers, a detailed analysis is also carried out by the ESG analyst team; that analysis also includes primary information from the respective companies and from publicly accessible sources. Externally sourced data is always subjected to a plausibility check. A plausibility check is also important due to the current lack of uniform requirements with regard to ESG ratings.

Interested investors can view structured products with sustainability features on our online product platform "derinet" by applying a filter when using the product search function. Our clients also have the option of structuring individual products with sustainability features. In addition, we offer structured solutions that focus on sustainability themes.

— Investment advisory

In the area of investment advisory, we support our private clients when investing in equities, fixed income or collective investments that are in line with Vontobel's sustainability approach[2] and are covered by primary or secondary research providers, as well as our in-house fund research team.

To deliver sustainable investment advisory to our clients systematically and efficiently, all our relationship managers and investment advisors have access to internal and external ESG research and analysis. They can therefore screen the investment universe not only based on fundamental analysis but also by taking account of ESG assessments and any controversial activities in combination with the internal list of recommendations of sustainable and ESG investments.

Our research team for Swiss equities has fully integrated ESG criteria into its company valuations and thus supports advisory services by providing in-depth guidance on sustainability issues related to Swiss stocks.

2 Sustainable Investing and Advisory Policy: www.vontobel.com/legal/sfdr

Additionally, our IT systems incorporate ESG criteria in order to monitor client portfolios – allowing for systematic oversight of the portfolios and supporting active communication with clients and the provision of appropriate advice. The majority of our research analysts, relationship managers and investment advisors hold the AZEK certificate "ESG for Client Advisors" (ESG-CA), enhancing our in-house ESG expertise.

All of these measures enable us to construct sustainable portfolios more efficiently and systematically, and to offer our clients more in-depth advice about the sustainability of investments on an ongoing basis.

We guide our clients by providing sustainable investment ideas as well as a comprehensive holistic portfolio view that considers overall exposures to ESG risks and opportunities while remaining aligned with the Vontobel market outlook and the client's risk profile.

With sustainable solutions, we offer our advisory clients the opportunity to align their investment decisions with their personal values and to participate in companies with solutions for a sustainable future, while reducing the ESG risks in their portfolios.

In the area of wealth planning, we offer our clients the opportunity to invest in pension solutions (Pillar 3a, vested benefits and management pensions) that focus on investments that combine the goals of capital preservation and capital growth with ethical, environmental and social aspects.

Training

In Wealth Management, knowledge of the topic of sustainability and ESG in the area of client advisory was expanded and embedded through the training of relationship managers and investment advisors, who completed the "ESG for Client Advisors" (ESG-CA) course run by AZEK in 2021 and 2022. This training course concludes with an examination that participants must pass to obtain the corresponding certificate, thus ensuring a high and consistent standard of training.

In 2022, targeted internal training was provided regarding the extension of MiFID regulations to include sustainability aspects from the start of August. New sustainable products in investment consulting were aligned with the regulations and systems were adapted accordingly, with all relationship managers being offered appropriate training.

45 employees completed the "Vontobel Curriculum", the internal certification for relationship managers. This train-

ing course, which was developed specifically for Vontobel Wealth Management, consists of four days of classroom learning as well as around 25 hours of online training about topics such as finance, regulation and advisory capabilities. In 2022, the included training sequence about sustainable investing was expanded and fully updated in line with ongoing developments, thus ensuring that employees across the whole of Wealth Management have a full understanding of this topic.

Vontobel's focus on sustainability and the topic of sustainable investing was included in the regular training courses for new employees in Wealth Management (WM Entry Training) in 2022. This induction program, which runs for several days, provides new joiners with the best possible training to prepare them for their challenging roles. In the tailored training provided at the start of August for new employees in Vontobel Swiss Financial Advisers (SFA), the topic of sustainability represented an important component of the course.

At Vontobel, we believe that on-the-job learning is the most effective form of training. Through our setup and the resulting close and daily collaboration between ESG analysts and investment teams, we foster the continuous sharing of ESG knowhow. During research meetings, general developments in the area of ESG are discussed. Certain mandatory training integrates ESG-related topics. For example, we run regular sales training that addresses ESG strategies as well as general training on ESG topics.

Furthermore, our employees have access to leading service providers for data, research, and engagement, such as MSCI ESG, Sustainalytics and also brokers. This allows them not only to learn more about the companies they are analyzing, but also to access best-in-class studies and webinars about ESG. We also regularly invite external specialists from our ESG research providers to provide an outside view on relevant issues.

No investments in controversial weapons
All our investments have to fulfill certain minimum requirements. Cluster bombs and land mines are banned by international conventions. In 2011, Vontobel therefore approved firm-wide guidelines that prohibit investments in companies that manufacture these types of arms. Stringent processes ensure that no manufacturers of cluster bombs and land mines are included in our investment funds, discretionary mandates or investment recommendations.

Our guidelines on cluster bombs and land mines can be found here: www.vontobel.com/principles-policies.

Further information on ESG investing at Vontobel can be found at: www.vontobel.com/sustainable-investing.

Economic Sustainability

Economic Performance and Indirect Economic Impacts

3-3 Management of material topics

We live up to our corporate responsibility by pursuing a client-centric approach and a long-term growth strategy and by implementing solid capital and risk policies. By operating on this basis and in compliance with ethical business standards, we contribute to the economy.

Active participant in economic life

At Vontobel, we have a long tradition of social responsibility and of supporting communities. Our company is an integral part of the global economic system and we benefit from the excellent operating environment in our Swiss home market, with its high standards of education, good infrastructure and political stability. We therefore contribute to the welfare and the stability of the communities in which we work.

As an employer and taxpayer and as an active participant in economic life – e.g. in our role as a purchaser of goods and services and as an investor – we contribute to the creation of value at a regional level in the locations in which we operate. This includes the corporate taxes that we pay annually, as well as the payment of salaries and the provision of innovative and sustainable financial services for private and institutional clients. We also make a contribution through the efficient use of energy and resources, by serving communities, and by engaging in an active dialogue with the general public about the role of financial services providers. Promoting art and incorporating it into our everyday lives is also a part of our corporate culture (see page 103). Since 2004, our clients have been able to lend their support to a variety of projects focusing on social issues, culture, ecology, education or medicine through the Vontobel Charitable Foundation.

201-1 Direct economic value generated and distributed

Value creation decreased by around 23 percent compared to the previous year, while taxes paid fell by around 50 percent. The Board of Directors' confidence in Vontobel's strategy and its active capital management are demonstrated by the proposed dividend of CHF 3.00, unchanged from the previous year. Further information on the operating result is provided on page 128.

Economic value distributed

CHF M	2022	2021	2020
Value creation[1]	933.7	1,209.8	967.2
Taxes[2]	44.4	90.3	68.9
Dividend for the fiscal year	168.0[3]	167.7	127.1

1 Income less general expense and depreciation of property, equipment (incl. software) and intangible assets
2 Includes income tax, tax on capital and other taxes and contributions
3 As per proposal submitted to the General Meeting

201-3 Defined benefit plan obligations and other retirement plans

Information on pension and other employee benefit plans and benefit pension liabilities is provided in the tables on pages 161 and 179.

203-1 Infrastructure investments and services supported

In 2022, the Vontobel Charitable Foundation contributed a total of around CHF 446,200 of donations and grants (2021: CHF 369,600). In the reporting year, the Charitable Foundation supported initiatives including a project launched by the Visio-Permacultura Stiftung, a foundation committed to sustainable plant and soil management. Permaculture is a concept based on the creation of sustainable and stable systems that are modelled around natural ecosystems and cycles. Permaculture fosters biodiversity and the local cultivation of organic produce, and it helps to protect drinking water and diversify revenue sources for farmers. Visio-Permacultura Stiftung supports Swiss farms in making the partial or full transition to permaculture. Further information is available at: visio-permacultura.ch.

In addition, Vontobel made donations totaling almost CHF 1,333,000 in the year under review. Of this sum, a significant amount was donated to the Swiss Climate Foundation and the International Committee of the Red Cross (ICRC). In 2022, the money collected through our annual Vontobel Fundraising Initiative was used to support the work of the ICRC, which is providing humanitarian aid to people affected by the war in Ukraine. In the first half of the year, the Board of Directors and the Executive Committee had already decided to make a donation of CHF 1 million to support the people of Ukraine.

Anti-corruption

3-3 Management of material topics
We operate our business with a focus on maintaining the satisfaction and trust of our clients, as well as on protecting and building the wealth they have entrusted to us. We always strive to pursue these goals in accordance with applicable laws, rules and regulations – especially when taking steps to combat terrorism and corruption.

Anti-corruption measures are an important part of our compliance system. Effective compliance forms the basis of our long-term success and is therefore a core aspect of our business. Vontobel implements comprehensive, state-of-the-art measures to ensure continuous compliance with laws and regulatory requirements. As part of our group-wide risk analysis, teams of specialists regularly assess all our areas of business using appropriate compliance processes to ensure they are legally compliant.

One of the main areas of focus of our risk analysis is the identification of risks arising from money laundering or terrorist financing. The aim is to avoid business relationships that are used for money laundering or terrorist financing. In addition, we have a special process in place to monitor our relationships with politically exposed persons (PEPs). Material issues are addressed during regular Legal & Compliance meetings, which are attended by representatives of the Executive Committee. In urgent cases, meetings are held on an ad hoc basis or decisions are reached by circular letter. Legal and Compliance produce half-yearly compliance reports for submission to the Executive Committee.

A key area of focus in adhering to our compliance requirements is the provision of employee training on relevant topics in the area of anti-corruption. All new employees have to attend an introductory compliance course that also addresses the subject of corruption. In addition, we periodically conduct specific classroom-based training courses in the Client Units. At departmental level, further training courses are offered to address the management of specific risks. These measures prevent breaches of internal and external rules and regulations. New employees are also issued with the Employee Handbook, which sets out specific guidelines and instructions, as well as the Code of Conduct. The most recent version of the Employee Handbook is available on the Intranet. All employees can access current and comprehensive policies at any time. They include the “Group policy on anti-corruption and the handling of gifts”, as well as the “Group policy on Conflicts of Interest”.

205-1 Operations assessed for risks related to corruption
Our group-wide risk management framework also addresses the topic of anti-corruption – especially money laundering and terrorist financing. It covered all of our locations globally in the reporting year.

205-2 Communication and training about anti-corruption policies and procedures
All Vontobel employees have to complete mandatory compliance training (with the exception of Corporate Real Estate, the Reception as well as external employees). The training covers topics such as money laundering and terrorist financing, market conduct rules, anti-corruption measures and the protection of personal data. VAMUS and TwentyFour Asset Management employees receive targeted training. New employees are automatically enrolled for training and have to complete compliance courses related specifically to their role or business area.

In addition to regular training courses, Vontobel employees are subject to specific directives setting out Vontobel’s principles and guidelines. The values in the Code of Conduct are regularly addressed and are demonstrated from the top down.

205-3 Confirmed incidents of corruption and actions taken
There were no incidents of corruption involving employees at Vontobel in the year under review.

In the case of suspected breaches of legal or regulatory requirements, internal guidelines or ethical standards, a whistleblowing system is in place to allow employees to report these incidents anonymously. Four such reports were received in 2022 and were analyzed in detail. The reviews did not result in any material findings or substantiated grievances.

Environmental Sustainability

3-3 Management of material topics
Vontobel is committed to using processes that reduce the environmental impacts of our activities and help to protect the climate. For many years, we have engaged in various activities to protect the environment and are particularly focused on climate protection. Our stakeholders also expect this of us. The sparing use of resources, energy efficiency and the reduction of greenhouse gas emissions therefore have an important role to play in our operations. As a result of the more efficient use of resources, we are often able to generate an additional economic benefit in different areas.

Vontobel's Corporate Sustainability Committee was tasked to coordinate the implementation of the Group's Sustainability Positioning with the Client Units and Centers of Excellence. The business divisions and corporate entities are responsible for the operational implementation of measures relating to the environment and climate protection. In particular, the Facility Management, Procurement and Logistics units have an important role to play in this context.

Our Corporate Real Estate Strategy is linked to our Sustainability Strategy. When selecting and renovating office buildings, we systematically focus on environmentally friendly and energy-efficient measures to achieve energy savings. High energy standards and the good insulation of building envelopes are part of this approach. The use of energy-saving LED lighting is a standard feature of all our new and renovated office buildings. Wherever possible, we also install LED lighting in existing buildings in view of the massive reductions in electricity and maintenance costs that can be achieved. This form of lighting results in less waste requiring special disposal. Vontobel has been purchasing electricity from renewable sources for all of our locations globally since 2013 – either directly or otherwise indirectly through regional Guarantees of Origin. The indirect purchase of renewable energy in the form of regional Guarantees of Origin is the approach taken if it is not possible to directly purchase electricity from renewable sources. This is the case if, for example, Vontobel leases its offices in one location and cannot influence the electricity mix used in those premises. When purchasing Guarantees of Origin for renewable electricity, we comply with the requirements of the CDP and obtain them from the countries where the electricity consumption actually occurs. This drives the expansion of global capacity for the production of electricity from renewable sources.

Since 2021, all buildings on the Zurich Campus have been heated and cooled using heat pumps that operate on the basis of geothermal probes or are fed with water from Lake Zurich.

Vontobel strives to conduct its own operations in accordance with high environmental and social standards and we therefore also expect our business partners to adhere to the principles of responsible business conduct. These aspects are incorporated into our tendering process and serve as a guide when awarding contracts. The relevant details are set out in Vontobel's "Guidelines for sustainable procurement". They address matters such as employment conditions, child labor and forced labor (modern slavery), environmental protection, and the prevention of corruption. These guidelines are available at: www.vontobel.com/principles-policies. Compliance with the guidelines is a prerequisite in order to work with Vontobel. As part of the supply management framework introduced in 2021, new partners have to provide information about their environmental and social standards. In addition, Vontobel makes use of an external rating platform to monitor the volume and relevance of sustainability risks related to its main suppliers.

Vontobel purchases a large quantity of products and services from external providers, including facility management services, IT infrastructure, and the design and production of printed materials, as well as catering and cleaning services. Wherever possible, we work with local suppliers to ensure that goods are transported over short distances. We are committed to building fair, long-term partnerships with our suppliers. For example, we have been sourcing fruit for our employees from a Swiss family business for many years, and all of our print orders in Switzerland are awarded to Swiss printing companies. A major proportion of the advertising and Christmas gifts used throughout the company are also purchased from Swiss providers.

In the reporting year, we continued the "One Two We" program introduced in our employee restaurant in 2013 and the "One Climate Menu" launched in connection with the program. The aim is to offer more meals that mainly use seasonal produce and include fewer products that are transported by air and less meat, while making increased use of different types of cereals as an alternative to rice – thus reducing the carbon footprint in the food chain. The permanent vegan buffet "Vegan Corner", which was introduced in 2020, has become popular with vegans and non-vegans alike. In 2021, the offering was expanded to include a selection of raw vegetables and fruit. The SV Group that operates the employee restaurant on behalf of Vontobel sends its chefs to Hiltl, the world's oldest vegetarian restaurant, for further training in this area.

Vontobel has been carbon-neutral for it's Scope 1, Scope 2 and Scope 3 emissions from its operational activities since January 1, 2009. We base our carbon emission calculations on the GHG Protocol. In our scope 3 operations emissions we include energy-related emissions not included in Scope 1 or 2, business travel with external vehicles, commuting, food, paper, printing, mailings, waste, and water. Other Scope 3 emissions are not included. Each year, we offset the greenhouse gas emissions we produce, by purchasing CO_2 emissions certificates to support projects that save the equivalent volume of emissions. The Vontobel Corporate Sustainability Committee once again selected a climate neutrality project with a focus on forest conservation and the protection of biodiversity in 2022. The project runs under the Verified Carbon Standard (VCS). Detailed information about the project is available at: www.vontobel.com/environmental-sustainability.

As a founding member of the Swiss Climate Foundation, we donate a significant proportion of our refunded CO_2 levy to the Foundation, which then uses these funds to finance projects to improve the energy efficiency of small- and medium-sized companies. In the reporting year, they included innovative technologies to increase the use of wind power in Switzerland and a digital platform for the reuse of building components to support the construction industry's goal of helping these parts to enter the circular economy.

Materials[1]

301-1 Materials used by weight or volume
301-2 Recycled input materials used

	2022	2021	2020
Materials (absolute)			
Water (drinking water, m³)	21,006	22,369	29,053
Food (t)	86	86	111
Paper (t)	79	68	95
Proportion of recycled paper used	84%	94%	90%
Materials (per full-time position)[2]			
Water (drinking water, l/FTE)	9,637	10,787	14,403
Food (kg/FTE)	40	41	55
Paper (kg/FTE)	36	33	47

1 Figures are based on the period from October 1 in the previous year to September 30
2 Based on the number of employees as of 30.09.2022 in full-time equivalents

In the reporting year, the consumption of recorded resources and materials increased slightly again in some cases. This was driven primarily by the – at least partial – return of many employees to Vontobel's offices after previously working from home.

However, we recorded a decrease in the proportion of recycled paper used due to difficulties in the supply of certain types of paper. The Covid-19 pandemic and later the Ukraine crisis, among other issues, led to shortages in the supply of key raw materials.

Water consumption data can only be compared to prior years to a limited extent: We receive invoices at different times, depending on the water supplier. It is not always possible to clearly determine the amount of water supplied.

Energy[1]

302-1: Energy consumption within the organization
302-3: Energy intensity
302-4: Reduction of energy consumption

	☑ 2022	2021	2020
Energy (absolute)			
Total energy consumption (MWh)[2]	12,321	11,902	10,991
Electricity consumption (MWh)[3]	6,785	6,275	6,818
District heating/cooling usage (MWh)	3,390	3,103	993
Fuel consumption (MWh)	2,146	2,524	3,180
from non-renewable sources (natural gas, heating oil, MWh)	*2,105*	*2,426*	*2,991*
from renewable sources (biogas, MWh)	*41*	*98*	*189*
Energy (per full-time position)[4]			
Total energy consumption (kWh/FTE)[6]	5,653	5,786	5,542

1 Figures are based on the period from October 1 in the previous year to September 30
2 no steam consumed or sold
3 incl. home office energy consumption
4 Based on the number of employees as of 30.09.2022 in full-time equivalents

While total energy consumption rose slightly in absolute terms in the reporting year, the proportion of greenhouse gases decreased. One new building in Zurich uses geothermal heating, as does the new office in Basel. Further, the Basel office has a photovoltaic system that is integrated into the façade and generates around 250,000 kWh of electricity each year, covering the building's baseline electricity requirements.

Mobility[1]

In Switzerland, measures to prevent the spread of Covid-19 were lifted in April 2022, as were the travel restrictions that applied in most other countries. As a result, our business travel and commuting increased significantly again.

	2022	2021	2020
Travel (absolute)			
Business travel (1,000 km)	9,561	3,493	8,619
of which business flights (1,000 km)	*8,548*	*3,043*	*8,068*
Commuting (1,000 km)	14,347	12,005	18,036
Travel (per full-time position)[2]			
Business travel (km/FTE)	4,386	1,685	4,273
of which business flights (km/FTE)	*3,921*	*1,467*	*4,000*
Commuting (km/FTE)	6,582	5,789	8,941

1 Figures are based on the period from October 1 in the previous year to September 30
2 Based on the number of employees as of 30.09.2022 in full-time equivalents

Emissions[1]

Due to the increase in travel following the lifting of most restrictions aimed at preventing the spread of Covid-19, business travel once again accounted for the largest part of our CO_2 footprint. As a result, total emissions and emission intensity increased once again.

In the reporting year, we recorded a further reduction in emissions from heating and cooling systems, which are the second-largest contributor to our CO_2 footprint. Heating was reduced and, in particular, we continued to make greater use of district heating and cooling as an energy source.

The method used to prepare a greenhouse gas balance sheet is aligned with the requirements set out in the International Organization for Standardization (ISO) standard 14064-1, as well as the accounting standards defined in the Greenhouse Gas Protocol. In addition to ISO 14064-1, the recommendations set out in the GHG Protocol Corporate Standard issued by the WRI and WBCSD were taken into account.

It is essential to have a solid set of data in order to develop and implement environmental and climate protection measures in a targeted and effective manner. In particular, the launch of a global platform for the booking of business travel made it significantly easier to record travel data for the different locations.

305-1 Direct (Scope 1) GHG emissions
305-2 Energy indirect (Scope 2) GHG emissions
305-3 Other indirect (Scope 3) GHG emissions
305-4 GHG emissions intensity
305-5 Reduction of GHG emissions

	2022	2021	2020
Emissions (absolute)			
Total greenhouse gas emissions (t CO_2e[2])	4,929	2,866	5,103
Greenhouse gas emissions scope 1[3] (t CO_2e)	☑ 717	626	781
Greenhouse gas emissions scope 2[4] (t CO_2e)	☑ 368	377	356
Greenhouse gas emissions scope 3[5] (t CO_2e)	3,844	1,863	3,966
of which business flights (t CO_2e)	*2,985*	*1,103*	*2,927*
of which commuting (t CO_2e)	*253*	*236*	*413*
Emissions (per full-time position)[6]			
Total greenhouse gas emissions (kg CO_2e/FTE)	2,261	1,382	2,530
Greenhouse gas emissions scope 1&2 (kg CO_2e/FTE)	☑ 498	-	-
Greenhouse gas emissions scope 3 (kg CO_2e/FTE)	1,763	-	-
of which business flights (kg CO_2e/FTE)	*1,369*	*532*	*1,451*
of which commuting (kg CO_2e/FTE)	*116*	*114*	*205*

1 Figures are based on the period from October 1 in the previous year to September 30. The emissions factors used were compiled using various sources, including Ecoinvent, IPCC, mobitool, Defra, Messmer, Frischknecht, Treeze and BAFU/BFE. The Global Warming Protocol (GWP) is usually 100 years. The figures comprise all of the "Kyoto greenhouse gases" (CO_2, CH_4, N_2O, HFCs, PFCs, SF_6, NF_3) and are therefore stated in CO_2e. Consolidation approach for emissions: Operational control. Where no invoices or measured data are available, we use projections with conservative assumptions.
2 CO_2e or CO_2 equivalent: Each greenhouse gas can be converted to carbon dioxide (CO2) in terms of its greenhouse effect
3 Scope 1 comprises emissions from heating (natural gas, biogas and heating oil), refrigerant leakage as well as business travel (vehicles owned by the company)
4 We calculate our Scope 2 emissions according to the market-based approach, which takes account of electricity purchased individually by Vontobel (e.g. electricity from renewables) in locations in which information is available about the energy mix purchased
5 We base our carbon emission calculations on the GHG Protocol. In our scope 3 operations emissions we include energy-related emissions not included in Scope 1 or 2, business travel with external vehicles, commuting, food, paper, printing, mailings, waste, and water. Other Scope 3 emissions are not included
6 Based on the number of employees as of 30.09.2022 in full-time equivalents

Social Sustainability

Social sustainability of companies is an essential prerequisite for the quality of life of the societies in which they operate. At Vontobel, social sustainability not only encompasses our responsibility as an employer but also our comprehensive commitments to serving communities.
www.vontobel.com/serving-communities

Vontobel Fundraising Initiative
Vontobel has been a member of the International Committee of the Red Cross' (ICRC) Corporate Support Group since 2005. In the context of this partnership, we have carried out the Vontobel Fundraising Initiative since 2015. The money raised through this internal campaign is used to support the work of the ICRC. Vontobel always doubles the amount donated by employees.

Support for contemporary photography
Promoting art has also long been a part of our corporate culture. We firmly believe that art and culture are important, or even essential, components of a functioning society, and that many creative approaches – both practical and theoretical – can be developed and tested when producing artworks. We want to support these creative processes. Art ultimately gives us a new perspective as observers, challenging or simply captivating us. Works of art enrich our daily life, foster a dialogue that is unconnected to our daily working routine and enable us to see life from a different angle. By exhibiting collections of artwork, we want to create an inspiring environment that generates lasting value for our employees and clients. We are particularly interested in the medium of photography, which gives a clear, modern and future-oriented direction to both the collection and to the sponsorship award "A New Gaze" that was established in 2017 for young contemporary photographers. www.vontobel.com/art

Employment

3-3 Management of material topics
The skills and expertise of our employees are vital to Vontobel's long-term success. We are aware of the competition that exists for skilled employees. As a globally active investment firm, Vontobel has to compete with major players and increasingly also with small new companies in our industry, both in our Swiss home market and internationally. We therefore want to offer our employees attractive employment conditions.

Corporate Human Resources, which reports to the Executive Committee, is responsible for positioning Vontobel as an attractive employer.

In Switzerland, the Employee Handbook contains comprehensive information about employment conditions, social security benefits, training, compliance regulations and security guidelines. It applies to all permanent employees and is supplemented by other regulations. Locations outside Switzerland have their own employee handbooks, which take account of country-specific requirements. The latest versions of these documents are always available on the Intranet.

As a future-oriented employer, Vontobel offers employees extensive benefits:

- Holiday entitlement that exceeds the statutory requirement: Since 2016, our employees in Switzerland have had the option of purchasing a maximum of 10 individual days of holiday in addition to their normal holiday entitlement.
- Employees can join collective agreements offered by health insurers at reduced rates together with their spouse or registered partner and their children.
- We offer an attractive share participation plan, mortgage products and attractive pension products at preferential rates.
- In the case of both maternity and paternity leave, the benefits that Vontobel grants to working parents go beyond the statutory minimum requirements: Employees in Switzerland are granted six months of maternity leave or four weeks of paternity leave on full pay. Depending on their personal needs, this period of leave can be taken on a fixed or flexible basis. This benefit is granted irrespective of their number of years of service.
- For a number of years, we have been a member of kcc group (globegarden), an organization that offers families complete childcare solutions.
- In Zurich, we offer lunches to employees free of charge in our staff restaurant.
- Wherever possible from an operational perspective, Vontobel endeavors to meet requests for part-time working arrangements from employees, including members of middle management.

The benefits offered by the company may differ depending on the location, country or contractual basis.

Vontobel actively shapes the future and fosters a feedback culture. We carry out a firm-wide employee survey every three years. The purpose of this global survey is to evaluate where the organization as a whole can improve and where we are already performing well. Our collaboration with an external partner enables us to produce an industry comparison as well as benchmarking with other high-performing organizations. The last employee survey was conducted in 2021. Overall, our results far exceed the industry benchmark. Collaboration, leadership, image and competitive position are the key factors driving our sustainability commitments, and 93 percent of our employees are proud to work for Vontobel. Since the survey in 2018, we have recorded a significant improvement in the category “Diversity and Inclusion”, as well as positive trends in the categories “Line Management”, “Image” and “Communication”.

To intensify informal discussions and feedback within small groups across departmental and hierarchical boundaries, we organize regular Skip Level Sessions (online and international) with senior management, which attract a very positive response from our employees. The Skip Level Sessions also give employees the opportunity to engage in an open dialogue and to ask questions about a range of topics, such as strategy and culture.

The Vontobel Graduate Trainee Program (GTP) has been promoting the successful integration of young talents within our organization since 2011. In October 2021, the largest group of trainees to date embarked on the program, which was extended to all areas of our business for the first time. We now run the GTP, which is in its tenth year, in all our international locations.

A new group of graduates joined the company in 2022 and we expect to welcome the next new entrants in fall 2023. Our goal is to attract the most diverse group of candidates possible for our program. In 2021 and 2022, for example, almost half of the graduates we attracted were women. The GTP includes a development plan, with different networking and development opportunities

401-1 New employee hires and employee turnover

Compared to the previous year, the number of employees increased (see also GRI Disclosure 2-7: Employees, page 113). The acquisition of UBS Swiss Financial Advisers AG (SFA), which closed in summer 2022, contributed to this.

New employee hires[1]

	☑ 2022		2021		2020	
	NUMBER	IN %	NUMBER	IN %	NUMBER	IN %
by gender						
Women	84	39	107	39	71	29
Men	133	61	170	61	171	71
by age group						
Under 30 years old	35	16	81	29	60	25
30–50 years old	165	76	175	63	150	62
Over 50 years old	17	8	21	8	32	13
by region						
Switzerland	177	82	-	-	-	-
Abroad	40	18	-	-	-	-
Total	**217**	**100**	**277**	**100**	**242**	**100**

1 GRI Disclsoure 401-1

Employee turnover[1,2]

	2022 LEAVERS	2022 TURNOVER[3] IN %	2021 TURNOVER IN %	2020 TURNOVER IN %
by gender				
Women	74	10.5	-	-
Men	146	9.5	-	-
by age group				
Under 30 years old	34	12.0	-	-
30–50 years old	129	9.5	-	-
Over 50 years old	57	9.6	-	-
by region				
Switzerland	179	9.9	-	-
Abroad	41	9.8	-	-
Total	**220**	**9.8**	**10.7**	**11.1**

1 Employee turnover: employees who leave the organization voluntarily or due to dismissal, retirement, or death in service
2 GRI Disclsoure 401-1
3 Turnover rate: Leavers / ((permanent employees at the beginning of the year) + (permanent employees at the end of the year) / 2)

401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees
In principle, part-time employees receive the same benefits as full-time employees. Different benefits apply in the case of temporary employees or staff who are available on an “on call” basis.

Employees with permanent contracts in Switzerland have the option of purchasing a maximum of 10 vacation days per calendar year in addition to their existing vacation entitlement. Around 8 percent (previous year: 7 percent) of eligible employees have made use of this option.

Training and Education

3-3 Management of material topics
Vontobel’s ability to achieve its business goals depends to a significant extent on the skills and motivation of our people. Employees have high expectations regarding the provision of training and development opportunities within a company. Moreover, life-long learning is growing increasingly important.

To remain attractive as an employer, meet the increasing demands of our clients, and reinforce workplace engagement, we offer targeted training and development opportunities. Our development curriculum covers an exciting range of topics, and caters for different skills and learning needs to address the requirements of leaders, managers and all employees.

Most of our training continues to be carried out virtually to ensure it is accessible to all employees worldwide.

All new employees begin by completing our onboarding program. New joiners worldwide can now connect to our systems and meet other colleagues during the live and virtual onboarding sessions. They all have access to the internal platform “Getting started” that offers comprehensive information to ensure that their career at Vontobel gets off to a smooth start.

During the onboarding phase, new joiners also have the opportunity to take part in a Q&A and networking session with our CEO.

In 2021, we introduced and continue to offer a professional skills development curriculum for all employees. Vontobel invests in learning resources that are specific to different Client Units and supports external training where appropriate for employees around the globe. These courses mainly involve business-specific qualifications such as the Master in Banking and Finance, Bachelor or Master in Business Administration, CFA or CIIA.

Employees have access to the online learning platform Degreed, which offers self-directed online learning resources from LinkedIn Learning and Udemy. In 2022, we also ran a proof of concept with over 500 managers offering them access to high quality digital content, including articles, podcasts and videos on strategic challenges facing the organization.

To assess the quality of our programs, we ask participants to complete a survey about the content and design of courses, as well as their relevance to their role. We then evaluate the quantitative and qualitative responses to the survey. This feedback enables us to make comparisons with training and development activities from previous years, as well as with industry benchmarks. It also allows us to make immediate improvements to the design and delivery of training courses and helps us decide on future collaboration with vendor partners.

We consider it important for employees to take responsibility for their own development. We are therefore continuing to invest in our "myPerformance Development" process. Setting clear goals and managing performance are key responsibilities for managers and employees to ensure a clear focus and alignment regarding the achievement of our targets.

Vontobel's Performance Development process covers goal setting, ongoing and annual reviews and the provision of regular feedback. Employees can also draw up a personal development plan in consultation with their line manager focusing on their strengths, weaknesses and career goals. To reinforce our feedback culture, we encourage all employees to request and provide feedback via our HR systems throughout the year, during the ongoing and annual review process.

As a rapidly growing organization, we believe that the development of managers from within our own ranks is a priority to achieve our strategic objectives and drive our success. While leading a team is a privilege, it comes with responsibility. Our Leadership Development Framework is therefore designed to ensure that our managers have the necessary skills and confidence to effectively meet the diverse needs of the business units and teams they lead.

In 2020, we launched the IMD Leadership Program for senior managers. Between 2020 and 2022, 123 senior leaders completed the program, learning about inspiring leadership, global and cross-cultural thinking, and self-reflection. The program enables the participants, who work in different locations and divisions, to build networks and apply what they have learned to their everyday work.

Other managers have the opportunity to participate in "Leading high-performing teams through feedback" training. This course is run in conjunction with the University of St. Gallen (HSG). In 2021, almost 300 managers completed the program. It focuses on building trust, delivering direct and constructive feedback, and managing performance evaluations.

In 2022, we decided to give our leaders and managers the opportunity to deepen and embed the skills and knowhow they had previously acquired. We also listened to feedback provided in our employee engagement surveys, especially the view of employees that leaders and managers need to become more skilled at establishing a link between Vontobel's strategic priorities and their daily work.

With these two goals in mind, all managers who had previously completed the IMD Leadership Program or the HSG "Leading high-performing teams through feedback" course were invited to complete "Leading with Impact" which was also developed in collaboration with the University of St. Gallen.

404-1 Average hours of training per year per employee

Training[1]

	2022	2021	2020
Hours of training (H/HC)[2,3]	15.3	-	-
Permanent employees (H/HC)	*15.7*	-	-
Temporary employees (H/HC)	*9.8*	-	-
Training costs (1,000 CHF)[4]	2,374	1,805	1,262
Number of apprenticeships	29	28	23

1 GRI Disclsoure 404-1
2 Internal Training
3 Based on the number of employees who received training in the reporting year
4 Including external training covered by a training agreement

Overall training costs as well as training costs per employee increased significantly in 2022, while the number of apprenticeships remained at a comparable level. In addition, we offered up to 17 internships in 2022.

404-2 Programs for upgrading employee skills and transition assistance programs

In 2022, we continued to offer professional skills training for all our employees. The topics covered were identified based on the findings of a training needs survey conducted across business units and different employee levels.

Those topics included resilience and self-care; change management; developing a growth mindset through feedback conversations; communication skills for collaboration; and presentation skills. The programs offered a combination of online content and virtual instructor-led classes, as well as peer-to-peer assignments that helped participants embed their learning in their day-to-day work.

To support our emerging talent, we continued with our internal mentoring program for 45 employees at Vontobel.

Each of the participants had a senior mentor who enabled them to articulate their personal goals, prepare an action plan and progress towards their objectives. We worked with the Singapore-based training company Protégé, which ran skills development workshops virtually for the participants and their mentors to help them make the most of the mentoring relationships.

The Swiss Association for Quality (SAQ) has, since 2020, recognized the further development courses offered to relationship managers in Vontobel Wealth Management as recertification measures. The corresponding offering was expanded in 2022. Relationship managers benefit from this by completing training according to this nationally accredited standard, thus further enhancing their own employability.

Vontobel provides further support for employees seeking to complete external training and we offer to pay part or all of the costs of training, depending on whether it is essential to the employee's role at Vontobel or for their personal development. Managers can coach and decide how to support the development of their team members.

404-3 Percentage of employees receiving regular performance and career development reviews
At the end of 2022, more than 90 percent of employees had begun or completed their annual performance review process.

Diversity, Equal Opportunity and Non-Discrimination

3-3 Management of material topics
The creation of a pleasant working environment that is free from discrimination and promotes diversity and equal opportunity represents a further component of our commitment to our employees. The principle of non-discrimination is enshrined in Vontobel's Code of Conduct, which forms an integral part of the employment contract.

The Board of Directors, the Executive Committee and the Global Executive Board take the topic of Diversity & Inclusion seriously and are committed to ensuring that it is enshrined and developed further within the organization.

Our Diversity & Inclusion Strategy is designed to promote the development of a diverse work culture that meets the needs of all employees. This culture should enable us to attract, develop and retain the best talents and to benefit from the unique skills, perspectives and potential of all employees.

It is also crucial for our Diversity & Inclusion objectives to be enshrined in our business strategy in order to address the needs of our diverse stakeholders. Vontobel considers it essential to actively foster equal opportunities and diversity, as well as an inclusive culture. As part of our Diversity & Inclusion Agenda, we approved our Diversity & Inclusion principles in 2022. Together with our global strategy, these principles define the approach and requirements that are in place at Vontobel to foster Diversity & Inclusion throughout the organization.

To drive the changes we are targeting and achieve our Diversity & Inclusion goals, this topic is being actively addressed by Vontobel's management. Training on the topic of Diversity & Inclusion has been incorporated into the leadership and development program for managers, as well as in training related to interviews and all HR processes.

We have introduced a mandatory, individual Diversity & Inclusion goal for members of the Executive Committee and the Global Executive Board and their direct reports to foster an inclusive culture and to help make Vontobel a more diverse and inclusive place to work. We regularly monitor progress both through internal evaluations and external diversity benchmarks, such as the Gender Intelligence Report published by Advance for Switzerland or the Diversity Benchmarking Report produced by the University of St. Gallen.

To increase employee awareness about the topic of Diversity & Inclusion, we took measures that include identifying the following areas of focus for Switzerland: equal opportunities, cultural diversity, and demography. For each area, we have defined long-term goals that we want to achieve by 2030:
- Equal opportunities: 30 percent of management positions to be held by women; 25 percent of women to have responsibility for leading a team.
- Cultural diversity: An international workforce that represents the different domiciles of our clients.
- Demography: A balanced workforce across age groups.

We provide regular updates on our various activities on the Intranet.

Ensuring **equal opportunities** for everyone – especially for women and men – is a key factor determining the success of our business. We remain committed to continuously increasing the number of women in senior management positions or leadership roles. When hiring new employees, we strive to ensure a balanced selection of female and male candidates. In promotion processes, a high level of

importance is assigned to ensuring a fair and transparent selection of talented employees. We also actively invest in various networks and alliances that support our goals, including:
- Advance (Gender Equality in Business)
- Fondsfrauen
- University of St. Gallen
- parents@work
- Womenbiz
- Data+Women
- ElleXX

Together with Advance, we nominate talented female managers each year to take part in specific skill-building workshops as well the Cross-Mentoring Program. This program offers high-quality workshops to enable talented female managers to acquire the core competencies and leadership mindset that are key to their advancement within the company.

Vontobel also conducts workshops for male managers to help them adopt a more inclusive leadership approach. To demonstrate our commitment to gender equality to our clients, investors, and prospective and existing employees, we signed the Advance Diversity Charter in 2022. This is a letter of intent for gender balance in Swiss business and represents one of the milestones in our Diversity & Inclusion Agenda for 2022.

Our Parents@work peer coaching program, which is run for parents by parents, supports working mothers and fathers when they return to the workplace or helps them address the challenges of combining professional and family life. The coachees are supported by a colleague for a period of one year. Employees who take part in this program, as well as the coaches who support them, are highly appreciate of this network and the personal support and advice provided.

In the **cultural diversity** focus area, we want to ensure that the composition of our workforce reflects our target markets. When building the teams at our 26 international locations, we consciously aim to strike a balance between “Swissness” and the nationalities of our clients. This gives us an understanding of our clients’ needs and enables us to develop appropriate solutions for them.

In the **demography** focus area, we aim to achieve a balanced mix of both young and experienced employees. Ensuring long-term talent management and succession planning that are aligned with the needs of the business divisions is of key importance for Vontobel’s human resources planning. Targeted measures are needed to align the potential of all age groups with the divisions’ staffing and competence needs.

At Vontobel, we define “inclusion” as the creation of a working environment in which each individual is treated fairly and with respect, given the same access to opportunities and resources, and can make a comprehensive contribution to the success of the company.

Managers at Vontobel act as role models and are responsible for supporting and fostering a culture of diversity and inclusion within the company. This is why they play an active role in initiatives to realize our goals. To live and further evolve this culture, we held a week of events dedicated to Diversity & Inclusion in 2022. The 26 different types of events (webinars, panel discussions, bottom-up dialogue, Lunch & Learn, etc.) were aimed at strengthening learning and awareness and fostering the development of an inclusive culture.

405-1 Diversity of governance bodies and employees

The proportion of employees who worked on a part-time basis are unchanged compared to 2021: 32 percent of female employees and 9 percent of male employees.

The Diversity Benchmarking performed annually by the University of St. Gallen, as well as the Gender Intelligence Report published by Advance, confirm that Vontobel has a relatively high proportion of female employees and women in more junior management positions, as well as a fairly balanced age mix among employees.

However, the proportion of women in leadership positions declines as the level of management seniority increases. The Talent Acquisition team therefore places a targeted focus on ensuring an appropriate mix of female and male candidates in the area of recruitment and promotions. When conducting interview training, an emphasis is placed, among other things, on the importance of having a diverse pool of candidates and avoiding unconscious bias. For these as well as further indicators, see also the tables on the following pages.

In 2021, we commissioned the Competence Center for Diversity & Inclusion (CCDI) of the University of St. Gallen to conduct an equal pay analysis. The findings of the analysis show that Bank Vontobel AG and

Vontobel Asset Management AG are essentially complying with the principle of equal pay. The Social Partnership Centre for Equal Pay in the Banking Industry (SF-LoBa) has reviewed the analysis. Following the validation of the results, we have been awarded the "Equal pay audited in accordance with the requirements of the Equal Opportunities Act" label. See page 79 for further information.

406-1 Incidents of discrimination and corrective actions taken
There were no incidents of discrimination during the reporting period.

Information on employees by gender[1,2]

			31.12.2022			31.12.2021
	WOMEN	MEN	TOTAL	WOMEN	MEN	TOTAL
Permanent employees	**726**	**1,569**	**2,295**	**680**	**1,507**	**2,187**
Full-time employees	491	1,426	1,917	462	1,377	1,839
Part-time employees	235	143	378	218	130	348
Temporary employees	**74**	**106**	**180**			**181**
Fixed-term contract	32	45	77	-	-	85
Hourly paid	16	22	38	-	-	36
Graduate Trainee	17	19	36	15	17	32
Apprentice	9	20	29	9	19	28
Total	**800**	**1,675**	**2,475**	**680**	**1,507**	**2,368**

1 Reported as Headcount at the end of the reporting period
2 GRI Disclsoure 2-7

Number of permanent employees by domicile

	NUMBER OF WOMEN	NUMBER OF MEN	31.12.2022 TOTAL	NUMBER OF WOMEN	NUMBER OF MEN	31.12.2021 TOTAL
Switzerland	581	1,299	1,880	543	1,232	1,775
Germany	36	76	112	32	79	111
USA	33	57	90	33	61	94
United Kingdom	27	54	81	26	52	78
Italy	17	25	42	16	25	41
Hong Kong	13	20	33	13	23	36
Luxembourg	8	13	21	7	12	19
Singapore	4	13	17	3	11	14
United Arab Emirates	2	5	7	2	5	7
Spain	2	3	5	2	3	5
France	2	1	3	2	1	3
Japan	1	2	3	1	1	2
Australia	0	1	1	0	2	2
Total	**726**	**1,569**	**2,295**	**680**	**1,507**	**2,187**

Number of permanent employees by nationality[1]

	31.12.2022		31.12.2021	
	NUMBER	IN %	NUMBER	IN %
Switzerland	1,450	63	1,391	64
Germany	250	11	237	11
Italy	111	5	108	5
United Kingdom	95	4	89	4
USA	83	4	87	4
France	62	3	47	2
Poland	21	1	17	1
China	18	1	17	1
Spain	17	1	18	1
Austria	16	1	14	1
Other	172	7	162	7
Total	**2,295**	**100**	**2,187**	**100**

Breakdown of rank structure by gender[1,2] as of 31.12.2022

	NUMBER OF WOMEN	PROPORTION OF WOMEN	NUMBER OF MEN	PROPORTION OF MEN
Employee	79	38%	129	62%
Middle management	382	45%	460	55%
Senior management	264	21%	976	79%
Executive Committee	1	25%	3	75%
Total	**726**	**32%**	**1,568**	**68%**
Board of Directors	3	33%	6	67%

2 The Chairman of the Board of Directors is included here in the Board of Directors. Since he has a regular employment relationship in Switzerland, he is included as an employee in the other tables.

Age structure permanent employees[1]

	31.12.2022		31.12.2021	
	NUMBER	IN %	NUMBER	IN %
Up to 20 years old	1	0	3	0
21 to 30 years old	279	12	286	13
31 to 40 years old	659	29	636	29
41 to 50 years old	740	32	685	31
51 to 60 years old	529	23	503	23
More than 60 years old	87	4	74	3
Total	**2,295**	**100**	**2,187**	**100**
Average age (in years)	*43*		*43*	

Age structure of the Board of Directors[1]

	31.12.2022		31.12.2021	
	NUMBER	IN %	NUMBER	IN %
31 to 40 years old	0	0	1	10
41 to 50 years old	3	33	2	20
51 to 60 years old	5	56	6	60
More than 60 years old	1	11	1	10
Total	**9**	**100**	**10**	**100**

Years of service permanent employees

	31.12.2022		31.12.2021	
	NUMBER	IN %	NUMBER	IN %
< 1 year	210	9	267	12
1 up to < 5 years	821	36	778	36
5 up to < 10 years	584	25	525	24
10 up to < 20 years	498	22	459	21
20 up to < 30 years	139	6	121	6
from 30 years	43	2	37	2
Total	**2,295**	**100**	**2,187**	**100**

Breakdown of full-time and part-time positions by gender as of 31.12.2022

	NUMBER OF WOMEN	PROPORTION OF WOMEN	NUMBER OF MEN	PROPORTION OF MEN	TOTAL NUMBER	TOTAL PROPORTION
20–49%	8	1%	3	0%	11	0%
50–79%	95	13%	20	1%	115	5%
80–99%	132	18%	120	8%	252	11%
100%	491	68%	1,426	91%	1,917	84%
Total	**726**	**100%**	**1,569**	**100%**	**2,295**	**100%**

1 GRI Disclsoure 405-1

Marketing and Labeling, Product Compliance

3-3 Management of material topics
Offering each of our clients the right solution or best possible service is the primary goal of our Client Units. Regulatory requirements apply in particular to producers and distributors of products and services for retail and private clients. Depending on the jurisdiction and the product or service involved, these duties include the preparation and provision of Key Information Documents describing the characteristics and functions of the products or services and the associated risks and opportunities and should ensure the comparability of products and services.

To continue developing our business, each business area carries out product development, client communications and marketing activities. The applicable legal regulations, such as the Swiss Financial Services Act (FinSA), the Swiss Law on Collective Investments or the Markets in Financial Instruments Directive (MiFID II) guide us in this area. We are an active member of various industry associations and help to shape rules in the area of self-regulation that are designed to increase the comparability of products and services and provide greater transparency for investors, as well as complying with the corresponding provisions. In addition, we follow the Principles for Responsible Investment (PRI).

417-1 Requirements for product and service information and labeling
Our products and services meet the applicable legal and regulatory requirements with regard to labeling and transparency. In the reporting year, there were no cases of misconduct or financial penalties for non-compliance with regulations governing the applicable requirements.

Customer Privacy

3-3 Management of material topics
The trust that clients place in us forms the basis for our successful long-term collaboration and is an important asset that is highly valued at Vontobel. We therefore assign considerable importance to protecting client data and complying with all legal requirements in this context.

The parameters for compliance with legal requirements relating to the protection of client data (such as banking confidentiality and data protection law) are defined and monitored by cross-divisional departments such as Legal & Compliance (with the Group Data Privacy Officer), Group Information Security (with the Chief Information Security Officer) and IT Security.

Further information on how we gather and process personal data can be found on our webpage.
- Our data protection guidelines: www.vontobel.com/privacy-policy
- Information about the EU General Data Protection Regulation (GDPR): www.vontobel.com/gdpr

Further information on IT security is available at: www.vontobel.com/it-security.

418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
In the reporting year, no authorities issued sanctions against Vontobel for breaches of privacy or losses of client data.

Further information on social sustainability at Vontobel can be found at: www.vontobel.com/social-sustainability.

General Disclosures

Organization and reporting practices

2-1 Organizational details
Vontobel Holding AG
Gotthardstrasse 43
CH-8022 Zürich
Telephone +41 58 283 59 00
www.vontobel.com

A current overview of all our locations can be found on the internet at: www.vontobel.com/locations.

Further information about the nature of our ownership structure and our legal form are provided in the section "Major shareholders and groups of shareholders with pooled voting rights", page 31.

2-2 Entities included in the organization's sustainability reporting
Unless stated otherwise, the scope of the Sustainability Report includes Vontobel Holding AG with the subsidiaries listed in the consolidated annual financial statements, and the corresponding locations.

Information on the scope of consolidation is provided on pages 220 and 221.

2-3 Reporting period, frequency and contact point
Unless stated otherwise, the reporting period is from January 1 to December 31, 2022. The environmental key figures relate to the period from October 1, 2021, to September 30, 2022.

This report has been produced in accordance with the principles set out by the Global Reporting Initiative (GRI) for the 13th time.

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2-4 Restatements of information
We have not made any restatements or corrections to the previous year's disclosures.

2-5 External assurance
Ernst & Young Ltd (EY) has undertaken a limited assurance engagement on selected KPIs. The corresponding key figures are marked with a symbol (☑). See the independent assurance report on page 124.

Activities and workers

2-6 Activities, value chain and other business relationships
Information on our activities, brands, products and services is provided in the following sections of our Annual Report: "Vontobel", pages 12 – 16.

Information on markets served is provided in the section "Vontobel", pages 12 – 16.

Key figures concerning the scale of the organization are provided on pages 10 and 11.

Vontobel purchases a large quantity of products and services from external providers, including facility management services, IT infrastructure, and the design and production of printed materials, as well as catering and cleaning services. Wherever possible, we work with local suppliers. For example, we purchase fruit for our employees from a Swiss family-owned company. All of our print orders in Switzerland are awarded to Swiss printing companies. A major proportion of the advertising and Christmas gifts used throughout the company are also purchased from Swiss providers. At the end of 2022, we had around 2,000 suppliers in total, of which 80 percent were based in Switzerland.

There were no significant changes to the supply chain.

Information on the development of the business is provided in the "Business Review", pages 19 – 27, and in "Changes in the scope of consolidation", page 221.

2-7 Employees
As of December 31, 2022, Vontobel had a total of 2,295 employees with permanent contracts, of whom 1,917 were employed on a full-time basis. A further 115 employees (excluding apprentices and trainees) had temporary contracts (see table on page 109).

2-8 Workers who are not employees
In addition to our regular employees, we had 664 contingent staff at the end of 2022. These individuals are not employed by Vontobel and are available on an "on call" basis to assist the company when needed.

For further key figures concerning our employees, see the section on "Diversity, Equal Opportunity and Non-Discrimination" (page 107).

Governance

2-9 Governance structure and composition
We strive to conduct our business sustainably at all times based on our conviction that sustainability goes hand in hand with business success and stability. Sustainability and an effective business strategy are closely interconnected. For this reason, Vontobel is committed to sustainable business management and to continuously optimizing our approach in all our divisions in the long term.

The Board of Directors defines the Group's strategic direction and determines the appetite for risk that the Group is willing and able to take when pursuing these strategic objectives. The Executive Committee is responsible for the oversight and operationalization of the strategy, and risk-related matters are addressed by the Risk and Audit Committee. The Vontobel Corporate Sustainability Committee, which is chaired by the Head Finance & Risk (CFO/CRO, see also section 2-13), is responsible for sustainability-specific matters.

Information on Vontobel's overall governance structure is provided in the "Corporate Governance" section, starting on page 30.

2-10 Nomination and selection of the highest governance body
See the sections on "Board of Directors" and "Election and term of office" on pages 33 and 39, respectively, of the Annual Report.

2-11 Chair of the highest governance body
See the section on "Board of Directors" on page 33 of the Annual Report.

2-12 Role of the highest governance body in overseeing the management of impacts
See sections 2-9 and 2-13.

2-13 Delegation of responsibility for managing impacts
The group-wide Corporate Sustainability Committee (CSC) consists of representatives of top management (or a deputy) from all relevant Client Units and Centers of Excellence. The Committee is responsible for all sustainability-related matters and is the escalation point for the Client Units and Centers of Excellence. The Committee meets on a quarterly basis and is chaired by the CFO/CRO (Head of Finance & Risk). The CSC Terms of Reference set out its decision-making powers for all sustainability-related matters. The Chairman of the CSC is responsible for informing members of the Executive and the Risk and Audit Committees about its activities.

Corporate Responsibility coordinates the implementation of the measures that have been decided in conjunction with the relevant Client Units and Centers of Excellence.

2-14 Role of the highest governance body in sustainability reporting
The Chairman of the CSC and the Chairman of the Board of Directors were informed about the Report on Corporate Responsibility & Sustainability for 2022.

2-15 Conflicts of interest
Vontobel strives to prevent conflicts of interest from arising in the first place. If they cannot be avoided, Vontobel has a structured process in place to ensure that they are documented and disclosed.

Our public Conflict of Interest policy statement is available at: www.vontobel.com/mifid.

Members of the Board of Directors must conduct their personal and business affairs in such a way as to avoid any conflicts of interests as far as possible. In particular, this obligation applies to matters relating to other mandates they hold or activities they perform that could give rise to a conflict of interests. Members of the Board of Directors abstain from voting on personal matters or issues concerning the interests of third parties with whom they are closely associated in a business or personal capacity. If a conflict of interests exists, the relevant member of the Board of Directors must notify the Chairman of the Board of Directors immediately. If the Chairman of the Board of Directors is exposed to a conflict of interests, he must inform the Vice-Chairman immediately. The Chairman or, if applicable, the Vice-Chairman subsequently calls upon the entire Board of Directors to reach a decision that duly reflects the severity of the conflict of interests. The relevant member of the Board of Directors is not present during the decision-making process. The following measures,

in particular, may be considered appropriate to address a conflict of interests:
Abstention of the relevant member of the Board of Directors from the consultation process and/or from voting; formation of a committee of the Board of Directors excluding the relevant member of the Board of Directors; or restriction of the flow of information to the relevant member of the Board of Directors. The Nomination and Compensation Committee of the Board of Directors performs a consolidated and systematic review of the external mandates of the individual members of the Board on an annual basis.

2-16 Communication of critical concerns
See section "Information and control instruments relating to the Executive Committee" on page 45 of the Corporate Governance Report, as well as sections 2-25 and 2-26 on page 116.

2-17 Collective knowledge of the highest governance body
The Board of Directors has a decisive influence on Vontobel's strategy, structure and culture. In order for the Board of Directors to perform these duties credibly and to act independently from the Executive Committee, it must be composed of qualified and experienced members.

In addition to its ordinary meetings, the Board of Directors holds an annual strategy workshop lasting several days at which it addresses focus topics that are important for Vontobel's development over the medium and long term. The Board consults with external experts, depending on the topic. In 2022, sustainability was one of the focus topics.

2-18 Evaluation of the performance of the highest governance body
The Board of Directors performs an annual evaluation of the achievement of its objectives and of its working practices.

2-19 Remuneration policies and
2-20 Process to determine remuneration
See section "Compensation of the Board of Directors" and "Compensation of the Executive Committee" (pages 67 and 70).

2-21 Annual total compensation ratio
This Information is not disclosed due to confidentiality.

Information on compensation of the members of the Board of Directors, on compensation of the members of the Executive Committee, on the highest total compensation for the financial year and our compensation system is disclosed in the Compensation Report, which forms part of the Annual Report (starting on page 67).

Strategy, policies and practices

2-22 Statement on sustainable development Strategy
See the foreword of the Sustainability Report, page 89.

2-23 Policy commitments
As a financial services provider, Vontobel is closely connected with the economy and society in all the locations in which we operate. Consequently, the nature and design of our products and services and the way we conduct our business operations have an impact on sustainable development in this integrated world. We believe that promoting sustainable development in our markets is both an economic necessity and an ethical duty.

In 2022, the Board of Directors in collaboration with the members of the Executive Committee, it defined the Group's Sustainability Positioning and six Sustainability Commitments for Vontobel as a global investment firm (see page 90).

The six Sustainability Commitments set out the key levers we have as a company and as a corporate citizen to deliver on the promise of our Sustainability Positioning. We aim to measure the progress we achieve against this promise on a regular basis.

In addition, our Code of Conduct defines the basic principles that we strive to uphold in order to perform our business activities in a fair and forward-looking manner.

Together, our Sustainability Positioning, the six Sustainability Commitments and the Code of Conduct reflect our commitment to helping drive the transition to a more sustainable economy and society on behalf of our stakeholders. This conviction is rooted in Vontobel's DNA, since a sustainable mindset and actions have helped shape our company ever since it was founded in 1924.

The Code of Conduct, as well as further principles and guidelines are available at: www.vontobel.com/principles-and-policies.

2-24 Embedding policy commitments
The principles governing our approach to business are set out in our Code of Conduct and our Sustainability Report (Corporate Responsibility & Sustainability).
www.vontobel.com/code-of-conduct

2-25 Processes to remediate negative impacts and 2-26 Mechanisms for seeking advice and raising concerns
All employees have the right to have their personal integrity protected at work. We define this as their physical and psychological integrity, which are to be protected in particular against sexual harassment, mobbing and discrimination.

Employees who feel that their integrity has been violated or who observe this kind of behavior can contact a line manager, the responsible HR Business Partner and/or the Safety and Security specialist unit. In addition, all Vontobel employees in Switzerland have access to a neutral external support unit to obtain personal and confidential advice around the clock. This unit has an obligation to treat the matter with discretion and to agree on the next steps with the affected employee. Co-workers and supervisors are required to support individuals who are being harassed or discriminated against.

In the case of suspected violations of legal or regulatory provisions, the bank's internal guidelines or ethical standards, employees have the option to report such incidents anonymously via a whistleblowing process.

2-27 Compliance with laws and regulations
See the sections "Anti-corruption" on page 99, "Marketing and Labeling, Product Compliance" and information on the protection of client data on page 112 and "Off-balance sheet business and other information" on page 201 of the Annual Report.

2-28 Membership associations
Vontobel is a member of various organizations and a co-signatory of several investor initiatives. In this way, we promote sustainable development in an environmental and social context.

Vontobel has been a signatory to the PRI, a UN initiative to promote responsible investing, since 2010. The Principles were launched by the then UN Secretary General in 2006 and contribute to a better understanding of the impact of investment activities on environmental, social and governance issues – ESG for short – and take account of the increasing relevance of ESG themes in investment practice.

In 2017, our company joined the global network of the "United Nations Global Compact" as well as the "Global Compact Network Switzerland". We have thus pledged to align our operations and strategies with 10 universal principles in the areas of human rights, labor, environment, and anti-corruption. Within our sphere of influence as a company, we thus help to promote key sustainability principles around the globe.

In 2021, Vontobel Asset Management and TwentyFour Asset Management LLP became first list signatories to the UK Stewardship Code 2020. The code contains principles for institutional investors as well as service providers in the financial sector. Signatories to this demanding standard must submit a Stewardship Report to the UK's Financial Reporting Council for review. In their report, they must demonstrate how they have applied the Code's principles in the previous 12 months. Signing the Code is testimony to our commitment to effective stewardship.

A current overview of all initiatives and memberships can be found on the internet at: www.vontobel.com/ratings-memberships.

Stakeholder engagement

2-29 Approach to stakeholder engagement
Our Sustainability Commitments center on our main groups of stakeholders: clients, shareholders, employees, Family shareholders, regulators and the community we live and work in.

For Vontobel, interacting with our stakeholders is a central component of our day-to-day business. We focus on our dialogue with all stakeholder groups on whom Vontobel's business activities have a significant influence or who have a substantial impact on the success of the company. At established points of contact, such as Investor Relations or Corporate Responsibility, potential stakeholders are recorded based on the queries we receive.

An open dialogue is key in order to gain a better understanding of the needs of our clients, employees, suppliers and cooperation partners, and to take account of the interests of local communities and non-governmental organizations (NGOs). We want to engage with our stakeholders by providing clear and comprehensible information on different challenges and opportunities relating to ESG matters. Regular employee and client surveys are key tools in this context, as are discussions with our suppliers.

2-30 Collective bargaining agreements
In Switzerland, which is home to more than 80 percent of our workforce, all employees up to and including middle management are covered by the Agreement on Conditions of Employment for Bank Employees (VAB) issued by the Employers Association of Banks in Switzerland (AVG). Information about participation in collective bargaining agreements in other countries is not available at present. Reporting on this topic will be expanded in the coming years.

Disclosures on material topics

3-1 Process to determine material topics
This report is based on the sustainability topics that Vontobel had already identified as material topics in previous reporting cycles. GRI topics were discussed and evaluated to assess their relevance for Vontobel and our stakeholders. The material topics were applied to the report prepared in accordance with GRI standards.

The impacts of our activities on society, the environment and the economy can evolve over time, in line with changes to the company and its operating environment. We have reviewed our material topics on an ongoing basis to determine their relevance. Regular employee and client surveys, discussions with suppliers and also the analysis of sustainability ratings and input from other stakeholders support us in this process. In addition, a cross-functional team of experts has been in place since mid-2022, providing a platform for dialogue, coordinating and aligning views, as well as fostering the formation of opinion on operational, group-wide sustainability matters. This is especially the case in the fast-growing and increasingly regulated area of sustainable financial services.

To prepare for the strategic revision of the Sustainability Framework, an internal analysis of stakeholders and an evaluation of Vontobel's potential contribution to the realization of the UN Sustainable Development Goals (SDGs) was carried out. Both analyses were discussed by the Executive Committee and the Board of Directors, and the findings were incorporated into Vontobel's Sustainability Positioning and Sustainability Commitments.

3-2 List of material topics
Material topics for our reporting:
- Economic performance
- Product portfolio and active ownership
- Indirect economic impacts
- Energy
- Emissions
- Materials
- Diversity and equal opportunity
- Non-discrimination
- Employment
- Training and education
- Anti-corruption
- Marketing and labeling, product compliance
- Customer privacy

No significant changes were made to the list of material topics for the 2022 report compared to the previous reporting period.

GRI Content Index

Statement of use	Vontobel has reported in accordance with the GRI Standards for the period from January 1, 2022 to December 31, 2022. Environmental data relate to the period from October 1, 2021 to September 30, 2022.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not yet available for financial service providers. Therefore, the GRI industry supplement for financial service providers 2013 was used (disclosures FS6, FS10, FS11).

GRI Standard	Disclosure	Page	Omission/Information
General Disclosures			
GRI 2: General Disclosures 2021	2-1 Organizational details	113	
	2-2 Entities included in the organization's sustainability reporting	113	
	2-3 Reporting period, frequency and contact point	113	
	2-4 Restatements of information	113	
	2-5 External assurance	113	
	2-6 Activities, value chain and other business relationships	113	
	2-7 Employees	113	Information on permanent and temporary hourly employees, as well as part-time vs. full-time employees by region, is not yet available in the required level of detail. Reporting will be expanded accordingly over the next two years.
	2-8 Workers who are not employees	114	
	2-9 Governance structure and composition	114	
	2-10 Nomination and selection of the highest governance body	114	
	2-11 Chair of the highest governance body	114	
	2-12 Role of the highest governance body in overseeing the management of impacts	114	
	2-13 Delegation of responsibility for managing impacts	114	
	2-14 Role of the highest governance body in sustainability reporting	114	
	2-15 Conflicts of interest	114	
	2-16 Communication of critical concerns	115	
	2-17 Collective knowledge of the highest governance body	115	
	2-18 Evaluation of the performance of the highest governance body	115	
	2-19 Remuneration policies	115	
	2-20 Process to determine remuneration	115	
	2-21 Annual total compensation ratio	115	This Information is not disclosed due to confidentiality.
	2-22 Statement on sustainable development strategy	115	
	2-23 Policy commitments	115	
	2-24 Embedding policy commitments	116	
	2-25 Processes to remediate negative impacts	116	

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for disclosures 2-1 to 2-5, 3-1 and 3-2 are aligned with the appropriate sections in the body of the report. This GRI service was conducted on the German version of this report.

GRI Standard	Disclosure	Page	Omission/Information
	2-26 Mechanisms for seeking advice and raising concerns	116	
	2-27 Compliance with laws and regulations	116	
	2-28 Membership associations	116	
	2-29 Approach to stakeholder engagement	116	
	2-30 Collective bargaining agreements	117	Information on participation in collective bargaining agreements in countries other than Switzerland is currently not available. Reporting on this will be expanded accordingly in the coming years.
Material topics			
GRI 3: Material Topics 2021	3-1 Process to determine material topics	117	
	3-2 List of material topics	117	
Product Portfolio and active ownership			
GRI 3: Material Topics 2021	3-3 Management of material topics	93	
GRI Financial Services Sector Disclosures 2013	FS6 Percentage of the portfolio for business lines by specific region, size and by sector	94	
	FS10 Portfolio-based engagement on social or environmental issues	94	
	FS11 Percentage of assets subject to positive and negative environmental or social screening	94	
Economic performance			
GRI 3: Material Topics 2021	3-3 Management of material topics	98	
GRI 201: Economic Performance 2	201-1 Direct economic value generated and distributed	98	
	201-3 Defined benefit plan obligations and other retirement plans	98	
Indirect economic impacts			
GRI 3: Material Topics 2021	3-3 Management of material topics	98	
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	98	
Anti-corruption			
GRI 3: Material Topics 2021	3-3 Management of material topics	99	
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	99	
	205-2 Communication and training about anti-corruption policies and procedures	99	
	205-3 Confirmed incidents of corruption and actions taken	99	
Materials			
GRI 3: Material Topics 2021	3-3 Management of material topics	100	
GRI 301: Materials 2016	301-1 Materials used by weight or volume	101	
	301-2 Recycled input materials used	101	

GRI Standard	Disclosure	Page	Omission/Information
Energy			
GRI 3: Material Topics 2021	3-3 Management of material topics	100	
GRI 302: Energy 2016	302-1 Energy consumption within the organization	101	
	302-3 Energy intensity	101	
	302-4 Reduction of energy consumption	101	
Emissions			
GRI 3: Material Topics 2021	3-3 Management of material topics	100	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	102	
	305-2 Energy indirect (Scope 2) GHG emissions	102	
	305-3 Other indirect (Scope 3) GHG emissions	102	
	305-4 GHG emissions intensity	102	
	305-5 Reduction of GHG emissions	102	
Employment			
GRI 3: Material Topics 2021	3-3 Management of material topics	103	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	104	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	105	
Training and education			
GRI 3: Material Topics 2021	3-3 Management of material topics	105	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	106	
	404-2 Programs for upgrading employee skills and transition assistance programs	106	
	404-3 Percentage of employees receiving regular performance and career development reviews	107	
Diversity and equal opportunity			
GRI 3: Material Topics 2021	3-3 Management of material topics	107	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	108	
Non-discrimination			
GRI 3: Material Topics 2021	3-3 Management of material topics	107	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	109	

GRI Standard	Disclosure	Page	Omission/Information
Marketing and labeling, product compliance			
GRI 3: Material Topics 2021	3-3 Management of material topics	112	
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	112	
Customer privacy			
GRI 3: Material Topics 2021	3-3 Management of material topics	112	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	112	

UN Global Compact Index

Umsetzung und Unterstützung der zehn Prinzipien des UN Global Compact
"Vontobel has been a member of the UN Global Compact and of the Global Compact Network Switzerland since 2017. We have thus pledged to align our operations and strategies with 10 universally recognized principles in the areas of human rights, labor, environment, and anti-corruption."
Dr. Zeno Staub, CEO of Vontobel

The Ten Principles of the UN Global Compact

PRINCIPLES	IMPLEMENTATION AT VONTOBEL: CONTENT-RELATED TOPICS AND COVERAGE ACCORDING TO GRI REPORTING	PAGE IN ANNUAL REPORT
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Topic **Non-discrimination**	
	GRI 406-1 Incidents of discrimination and corrective actions taken	109
	Financial Sector specific indicators: product portfolio and active ownership	
	FS10: Portfolio-based engagement on social or environmental issues	94
	FS11: Percentage of assets subject to positive and negative environmental or social screening	94
Principle 2: Make sure that they are not complicit in human rights abuses	Topic **Organizational Profile**	
	GRI 2-6 Activities, value chain and other business relationships	113
	Financial Sector specific indicators: product portfolio and active ownership	
	FS10: Portfolio-based engagement on social or environmental issues	94
	FS11: Percentage of assets subject to positive and negative environmental or social screening	94
Labor		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Topic **Organizational Profile**	
	GRI 2-30 Collective bargaining agreements	117
Principle 4: Elimination of all forms of forced and compulsory labor	Topic **Organizational Profile**	
	GRI 2-6 Activities, value chain and other business relationships	113
	Topic **Economic performance**	
	GRI 201-3 Defined benefit plan obligations and other retirement plans	98
Principle 5: Effective abolition of child labor	Topic **Organizational Profile**	
	GRI 2-6 Activities, value chain and other business relationships	113
Principle 6: Elimination of discrimination in respect of employment and occupation	Topic **Organizational Profile**	
	2-7 Employees	113
	2-8 Workers who are not employees	114
	Topic **Employment**	
	GRI 401-1 New employees hires and employee turnover	104
	Topic **Training and Education**	
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	106
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	107
	Topic **Diversity and Equal Opportunity**	
	GRI 405-1 Diversity of governance bodies and employees	108
	Topic **Non-discrimination**	
	GRI 406-1 Incidents of discrimination and corrective actions taken	109

PRINCIPLES	IMPLEMENTATION AT VONTOBEL: CONTENT-RELATED TOPICS AND COVERAGE ACCORDING TO GRI REPORTING	PAGE IN ANNUAL REPORT
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Topic **Materials**	
	GRI 301-1 Materials used by weight or volume	101
	GRI 301-2 Recycled input materials used	101
	Topic **Energy**	
	GRI 302-1 Energy consumption within the organization	101
	GRI 302-3 Energy intensity	101
	GRI 302-4 Reduction of energy consumption	101
	Topic **Emissions**	
	GRI 305-1 Direct (Scope 1) GHG emissions	102
	GRI 305-2 Energy indirect (Scope 2) GHG emission	102
	GRI 305-3 Other indirect (Scope 3) GHG emission	102
	GRI 305-4 GHG emissions intensity	102
	GRI 305-5 Reduction of GHG emissions	102
	Financial Sector specific indicators: product portfolio and active ownership	
	FS10: Portfolio-based engagement on social or environmental issues	94
	FS11: Percentage of assets subject to positive and negative environmental or social screening	94
Principle 8: Undertake initiatives to promote greater environmental responsibility	Topic **Materials**	
	GRI 301-1 Materials used by weight or volume	101
	GRI 301-2 Recycled input materials used	101
	Topic **Energy**	
	GRI 302-1 Energy consumption within the organization	101
	GRI 302-3 Energy intensity	101
	GRI 302-4 Reduction of energy consumption	101
	Topic **Emissions**	
	GRI 305-1 Direct (Scope 1) GHG emissions	102
	GRI 305-2 Energy indirect (Scope 2) GHG emission	102
	GRI 305-3 Other indirect (Scope 3) GHG emission	102
	GRI 305-4 GHG emissions intensity	102
	GRI 305-5 Reduction of GHG emissions	102
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Topic **Energy**	
	GRI 302-4 Reduction of energy consumption	101
	Topic **Emissions**	
	GRI 305-5 Reduction of GHG emissions	102
Anti-corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Topic **Ethics and Integrity**	
	GRI 2-23 Policy commitments	115
	GRI 205-1 Operations assessed for risks related to corruption	99
	GRI 205-2 Communication and training about anti-corruption policies and procedures	99
	GRI 205-3 Confirmed incidents of corruption and actions taken	99

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To the management of
Vontobel Holding AG

Zurich, 7 February 2023

Independent assurance report

We have been engaged to perform a limited assurance engagement on the key performance indicators marked with a "☑" disclosed in Vontobel Holding AG's Annual Report 2022 in the chapter "Corporate Responsibility & Sustainability" for the reporting period from 1 January 2022 to 31 December 2022 (hereafter "KPIs"):

- FS11: Percentage of assets subject to positive and negative environmental or social screening; pages 94, 95
- GRI 302-1: Energy consumption within the organization; page 101
- GRI 302-3: Energy intensity; page 101
- GRI 305-1: Direct (Scope 1) GHG emissions; page 102
- GRI 305-2: Energy indirect (Scope 2) GHG emissions; page 102
- GRI 305-4: GHG emissions intensity; page 102
- GRI 401-1: New employee hires and employee turnover; pages 104, 105
- GRI 405-1: Diversity of governance bodies and employees; pages 110

Our engagement was limited to the KPIs listed above. We have not assessed the following KPIs or information disclosed in the 2022 Annual Report:

- Information other than the KPIs indicated above
- KPIs related to previous reporting periods
- Qualitative statements

Applicable criteria
Vontobel Holding AG defined as applicable criteria (hereafter "applicable criteria"):

- GRI Standards 2021
- GRI G4 Sector Disclosures for Financial Services

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

The quantification of greenhouse gases (GHG) is subject to inherent uncertainty because of incomplete scientific knowledge used to determine emission factors and the values needed to combine emissions of different gases.

Responsibility of Vontobel Holding AG's management
The management of Vontobel Holding AG is responsible for the selection of the applicable criteria and for the preparation and presentation of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control
We have complied with the independence and other ethical requirements of the *International Code of Ethics for Professional Accountants (including International Independence Standards)* of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies the International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements 3000 (Revised) *Assurance Engagements Other than Audits or Reviews of Historical Financial Information* (ISAE 3000 Revised). This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the sustainability report are free from material misstatement, whether due to fraud or error.

In accordance with the engagement agreement, our duty of care for this engagement only extends to the management of Vontobel Holding AG.

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient appropriate evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Summary of work performed

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application
- Inquiries of company's representatives responsible for collecting, consolidating, and calculating the KPIs in order to assess the process of preparing the data, the reporting system, the data capture and compilation methods as well as internal controls to the extent relevant for the limited assurance engagement
- Inspection of the relevant documentation of the systems and processes for compiling, analyzing, and aggregating sustainability data and testing such documentation on a sample basis
- Analytical procedures and inspection of documents on a sample basis with respect to the compilation and reporting of the KPIs
- Analytical procedures of the chapter "Corporate Responsibility & Sustainability" of the Annual Report 2022 regarding plausibility and consistency with the KPIs

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Our conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Andreas Blumer (Qualified Signature)	Mark Veser (Qualified Signature)
Partner	Partner

(Translation of the original report in German language)

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated income statement

Consolidated income statement

	NOTE	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Interest and dividend income		126.6	89.4	37.1	41
Interest expense		22.2	21.7	0.5	2
Credit loss (expense) / recovery		–3.0	–6.5	3.5	54
Net interest and dividend income	1	**101.4**	**61.3**	**40.1**	**65**
Fee and commission income		1,191.0	1,361.3	–170.3	–13
Fee and commission expense		357.2	386.5	–29.4	–8
Net fee and commission income	2	**833.8**	**974.8**	**–141.0**	**–14**
Trading income	3	**338.4**	**493.3**	**–154.9**	**–31**
Other income	4	**11.5**	**6.2**	**5.3**	**85**
Total operating income		**1,285.1**	**1,535.6**	**–250.5**	**–16**
Personnel expense	5	655.9	734.7	–78.9	–11
General expense	6	248.2	225.4	22.8	10
Depreciation of property, equipment (incl. software) and intangible assets	7	103.3	100.4	2.9	3
Provisions and losses	8	10.4	7.9	2.5	32
Total operating expense		**1,017.7**	**1,068.4**	**–50.7**	**–5**
Profit before taxes		**267.4**	**467.2**	**–199.8**	**–43**
Taxes	9	37.5	83.4	–45.9	–55
Group net profit		**229.8**	**383.8**	**–153.9**	**–40**
of which allocated to shareholders of Vontobel Holding AG		*229.8*	*373.8*	*–143.9*	*–38*
of which allocated to minority interests			*10.0*	*–10.0*	*–100*

Share information

	NOTE	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Basic earnings per share[1] (CHF)	11	4.13	6.69	–2.56	–38
Diluted earnings per share[1] (CHF)	11	4.01	6.50	–2.49	–38

1 Basis: Weighted average number of shares

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

	NOTE	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Group net profit according to the income statement		**229.8**	**383.8**	**–154.0**	**–40**
Other comprehensive income, net of tax	10				
Other comprehensive income that will be reclassified to the income statement, net of tax					
Currency translation adjustments:					
Income during the reporting period		13.8	8.2	5.6	68
Gains and losses transferred to the income statement					
Total currency translation adjustments		13.8	8.2	5.6	68
Debt instruments in financial investments:					
Income during the reporting period		–71.9	–13.7	–58.2	–425
Gains and losses transferred to the income statement		–0.8	–5.7	4.8	84
Total debt instruments in financial investments		–72.7	–19.4	–53.4	–275
Cash flow hedges:					
Income during the reporting period			–0.0	0.0	
Gains and losses transferred to the income statement					
Total cash flow hedges			–0.0	0.0	
Total other comprehensive income that will be reclassified to the income statement, net of tax		**–58.9**	**–11.2**	**–47.7**	**–426**
Other comprehensive income that will not be reclassified to the income statement, net of tax					
Income from equity instruments in financial investments		–6.6	8.3	–14.9	–180
Income from defined benefit pension plans		–31.3	78.5	–109.8	–140
Total other comprehensive income that will not be reclassified to the income statement, net of tax		**–37.9**	**86.8**	**–124.7**	**–144**
Total other comprehensive income, net of tax		**–96.9**	**75.5**	**–172.4**	**–228**
Comprehensive income		**133.0**	**459.4**	**–326.4**	**–71**
of which allocated to shareholders of Vontobel Holding AG		*133.0*	*449.0*	*–316.1*	*–70*
of which allocated to minority interests			*10.3*	*–10.3*	*–100*

Consolidated balance sheet

Assets

	NOTE	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Cash		3,884.2	7,835.0	–3,950.8	–50
Due from banks		1,575.1	916.8	658.3	72
Receivables from securities financing transactions	20	894.0	1,847.7	–953.7	–52
Loans	12	7,462.3	7,102.5	359.7	5
Trading portfolio assets	13	4,651.7	6,612.8	–1,961.2	–30
Positive replacement values	13	439.4	426.4	13.0	3
Other financial assets at fair value	13	8,297.2	4,415.6	3,881.6	88
Financial investments	14	1,727.3	1,616.4	110.9	7
Investments in associates	15	3.7	5.3	–1.6	–30
Property, equipment and software	16	383.9	377.3	6.6	2
Goodwill and other intangible assets	18	629.6	547.0	82.6	15
Other assets	19	560.9	695.0	–134.0	–19
Total assets		**30,509.2**	**32,397.9**	**–1,888.6**	**–6**

Liabilities and equity

	NOTE	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Due to banks		1,140.5	982.7	157.8	16
Payables from securities financing transactions	20	92.5	12.7	79.8	628
Customer deposits		13,240.9	14,793.3	–1,552.5	–10
Trading portfolio liabilities	13	170.4	288.6	–118.2	–41
Negative replacement values	13	1,191.0	1,505.0	–314.0	–21
Other financial liabilities at fair value	13	10,124.2	11,202.1	–1,077.9	–10
Debt issued	23	1,043.2	449.1	594.1	132
Provisions	24	14.9	16.3	–1.5	–9
Other liabilities	25	1,473.0	1,079.1	393.9	37
Total liabilities		**28,490.6**	**30,329.0**	**–1,838.4**	**–6**
Share capital	26	56.9	56.9		
Treasury shares	26	–113.7	–124.4	10.7	9
Capital reserve		–382.9	–357.8	–25.1	–7
Retained earnings		2,579.8	2,556.7	23.1	1
Other components of shareholders' equity		–121.4	–62.5	–58.9	–94
Shareholders' equity		**2,018.6**	**2,068.9**	**–50.2**	**–2**
Minority interests					
Total equity		**2,018.6**	**2,068.9**	**–50.2**	**–2**
Total liabilities and equity		**30,509.2**	**32,397.9**	**–1,888.6**	**–6**

Statement of equity

Statement of equity

CHF M	SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVE
Balance as of 01.01.2021	**56.9**	**–65.9**	**–280.6**
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
Comprehensive income			
Dividend payment[2]			
Purchase of treasury shares		–137.6	
Sale of treasury shares		18.2	–0.5
Share-based compensation expense			48.8
Allocations from share-based compensation		60.9	–31.2
Change in minority interests			–94.6
Other effects			0.2
Ownership-related changes		**–58.5**	**–77.2**
Balance as of 31.12.2021	**56.9**	**–124.4**	**–357.8**
Balance as of 01.01.2022	**56.9**	**–124.4**	**–357.8**
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
Comprehensive income			
Dividend payment[2]			
Purchase of treasury shares		–103.2	
Sale of treasury shares		17.0	–2.8
Share-based compensation expense			46.0
Allocations from share-based compensation		96.9	–68.3
Change in minority interests			
Other effects			
Ownership-related changes		**10.7**	**–25.0**
Balance as of 31.12.2022	**56.9**	**–113.7**	**–382.9**

1 “Currency translation adjustments”, “Unrealized income from debt instruments in financial investments” and “Cash flow hedges” are reported in the balance sheet item “Other components of shareholders’ equity”.
2 Vontobel Holding AG paid a dividend (gross) of CHF 3.00 (previous year: CHF 2.25) per registered share with a par value of CHF 1.00 in April 2022.

RETAINED EARNINGS	CURRENCY TRANSLATION ADJUSTMENTS[1]	UNREALIZED INCOME FROM DEBT INSTRUMENTS IN FINANCIAL INVESTMENTS[1]	CASH FLOW HEDGES[1]	SHAREHOLDERS' EQUITY	MINORITY INTERESTS	TOTAL EQUITY
2,230.7	**–68.5**	**19.1**	**0.0**	**1,891.6**		**1,891.6**
373.8				373.8	10.0	383.8
	7.9	–19.4	–0.0	–11.5	0.3	–11.2
86.8				86.8		86.8
460.5	**7.9**	**–19.4**		**449.0**	**10.3**	**459.4**
–134.6				–134.6	–4.4	–138.9
				–137.6		–137.6
				17.7		17.7
				48.8		48.8
				29.7		29.7
	–1.6			–96.2	–5.9	–102.1
0.0				0.3		0.3
–134.5	**–1.6**			**–271.8**	**–10.3**	**–282.1**
2,556.7	**–62.2**	**–0.3**		**2,068.9**		**2,068.9**
2,556.7	**–62.2**	**–0.3**		**2,068.9**		**2,068.9**
229.8				229.8		229.8
	13.8	–72.7		–58.9		–58.9
–37.9				–37.9		–37.9
191.9	**13.8**	**–72.7**		**133.0**		**133.0**
–168.9				–168.9		–168.9
				–103.2		–103.2
				14.3		14.3
				46.0		46.0
				28.5		28.5
–168.9				**–183.2**		**–183.2**
2,579.8	**–48.4**	**–73.1**		**2,018.6**		**2,018.6**

Consolidated cash flow statement

Consolidated cash flow statement

CHF M	2022	2021
Cash flow from operating activities		
Group net profit (incl. minorities)	229.8	383.8
Reconciliation to net cash flow from operating activities		
Non-cash positions in Group results:		
Depreciation and valuation adjustments of property, equipment (incl. software) and intangible assets	103.3	100.4
Credit loss expense / (recovery)	3.0	7.5
Income from investments in associates	0.5	–1.0
Change in provisions	–1.5	–2.0
Net income from investing activities	6.7	10.6
Net income from disposal of property, equipment (incl. software) and intangible assets	0.0	–0.1
Other non-cash income	55.5	63.9
Net (increase) / decrease in assets relating to banking activities:		
Due from / to banks, net	156.2	267.1
Receivables from securities financing transactions	953.7	–592.3
Trading positions and replacement values, net	1,536.5	1,125.3
Other financial assets / liabilities at fair value, net	–4,959.4	1,082.9
Loans / customer deposits, net	–1,904.6	–577.1
Other assets	122.7	8.5
Net increase / (decrease) in liabilities relating to banking activities:		
Payables from securities financing transactions	79.8	–289.8
Other liabilities	485.7	–18.6
Adjustment for income tax expenses	37.5	83.4
Income taxes paid	–106.6	–66.9
Cash flow from operating activities	**–3,201.3**	**1,585.6**
Cash flow from investing activities		
Business combinations	–98.1	
Purchase of associates		
Dividend from associates	1.2	1.2
Settlement of earn-out payments	–0.4	–0.9
Purchase of property, equipment (incl. software) and intangible assets	–66.0	–62.0
Disposal of property, equipment (incl. software) and intangible assets	0.1	0.6
Investment in financial instruments	–814.3	–233.6
Divestment of financial instruments	585.2	857.9
Cash flow from investing activities	**–392.5**	**563.3**
Cash flow from financing activities		
Repayment of leasing liabilities	–31.0	–32.5
Net movements in treasury shares	–88.9	–119.9
Dividends paid	–168.9	–138.9
Issued debt instruments	593.6	
Change in minority interests		–290.2
Cash flow from financing activities	**304.8**	**–581.6**
Effects of exchange rate differences	–4.5	–2.7
Net increase / (decrease) in cash and cash equivalents	**–3,293.4**	**1,564.7**
Cash and cash equivalents, beginning of the year	8,751.8	7,187.1
Cash and cash equivalents as at the balance sheet date	**5,458.3**	**8,751.8**

The recognition of a lease liability and of a corresponding right-of-use asset at the lease commencement date represents a significant non-cash item. Lease liabilities and the balance sheet item “Debt issued” comprise liabilities from financing activities.

Information on the consolidated cash flow statement

CHF M	31.12.2022	31.12.2021
Cash and cash equivalents comprise at the balance sheet date		
Cash[1]	3,884.2	7,835.0
Due from banks on demand	1,574.1	916.8
Total	**5,458.3**	**8,751.8**

Further information

CHF M	2022	2021
Dividends received	58.3	53.5
Interest received	186.2	160.7
Interest paid	18.0	16.2

1 "Cash" comprises petty cash, giro and demand deposits at the Swiss National Bank and foreign central banks, as well as clearing credit balances at recognized clearing centers and clearing banks.

Accounting principles

1. Basis of presentation

Vontobel's consolidated financial statements comprise the accounts of Vontobel Holding AG and its subsidiaries. They have been prepared in accordance with the International Financial Reporting Standards (IFRS). The accounting principles applied are the same as in the consolidated financial statements dated December 31, 2021, with the exception of the changes referred to in section 4.

2. Estimates, assumptions and judgment

In the preparation of the consolidated financial statements, management has to make numerous estimates and assumptions that may include material uncertainties. These estimates and assumptions are based on the best available information and are adapted continuously in line with new findings and circumstances.

Estimates and assumptions are mainly contained in the following areas of the consolidated financial statements and are discussed in the corresponding notes to the consolidated financial statements: Fair value of financial instruments, expected credit losses, share-based payment, provisions, income taxes, pension plans, leasing, and goodwill and other intangible assets.

In the application of accounting principles, the treatment of the impact of changes in own credit risk from financial liabilities, for which the fair value option is applied – as described in note 3 of the Notes to the consolidated financial statements – involves significant judgment.

3. Summary of the most important accounting principles

3.1 Consolidation principles

Subsidiaries

All companies directly or indirectly controlled by Vontobel Holding AG are consolidated in the consolidated financial statements.

Changes to investments in subsidiaries are recorded as transactions in shareholders' equity provided Vontobel retains control of the subsidiary.

The acquisition of a subsidiary is accounted for using the purchase method. The acquisition costs correspond to the fair value of the consideration at the acquisition date. The identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at fair value at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, the positive difference between the two amounts is recorded as goodwill. If the opposite applies, the negative difference is immediately recognized in the income statement. Transaction costs are charged to the income statement.

The effects of intra-Group transactions are eliminated in the consolidated financial statements.

Associates

Companies over which Vontobel can exert significant influence are accounted for using the equity method. As a rule, influence is deemed significant when Vontobel holds 20 percent to 50 percent of voting rights and/or can put forward at least one member to represent it on the Board of Directors.

The interests acquired in an associate are stated at cost in the balance sheet upon acquisition. The carrying amount of the associate is then adjusted to reflect Vontobel's share of comprehensive income and ownership-related changes to the shareholders' equity of the associate and any impairment.

3.2 Foreign currency translation

Vontobel companies prepare their financial statements in their functional currency. Transactions in a currency other than the functional currency are recognized at the exchange rate on the date of the transaction. Exchange rate differences arising between the date of a transaction and its subsequent settlement are recognized in the income statement. At the balance sheet date, monetary positions are translated into the functional currency using the closing exchange rate, and unrealized exchange differences are recognized in the income statement. Non-monetary items carried at historical cost are translated into the functional currency at the historical exchange rate. Non-monetary items carried at fair value are translated into the functional currency at the closing exchange rate, and unrealized gains and losses resulting from this foreign currency translation are recognized in the income statement in the case of trading portfolio assets and liabilities and other financial instruments at fair value, and in other comprehensive income in the case of financial investments.

When drawing up the consolidated financial statements, the balance sheets of subsidiaries are translated into the presentation currency (Swiss francs) at the closing exchange rates. Average exchange rates for the period under review are used for items in the income statement, other comprehensive income and cash flows. Currency translation adjustments are recognized in other comprehensive income. If a realization event occurs (e.g. sale of a subsidiary), the relevant currency translation adjustments are transferred from other comprehensive income to the income statement. For information on hedges of net investments in foreign operations, please refer to note 33 “Hedge accounting”.

3.3 Financial instruments

Initial recognition

Purchases and disposals of financial assets are recognized in the balance sheet at the trade date. At the time of initial recognition, all financial instruments are measured at fair value and assigned to one of the following categories in accordance with IFRS 9 criteria: “Fair value through profit or loss (FVTPL)”, “Fair value through other comprehensive income (FVOCI)” or “Amortised cost”. For financial instruments in the category “Fair value through other comprehensive income” and “Amortized cost”, fair value is adjusted by the directly attributable transaction costs.

Measurement of fair value, fair value hierarchy and recognition of “day 1 profit”

For information on the measurement of the fair value of financial instruments, the valuation methods used, the fair value hierarchy and day 1 profit, please refer to note 29 “Fair value of financial instruments”.

Trading portfolio assets and trading portfolio liabilities (“fair value through profit or loss”)

Financial assets or financial liabilities held for trading purposes are recognized at fair value in “Trading portfolio assets” or “Trading portfolio liabilities”. All income components are recognized in “Trading income”.

Derivative financial instruments (“fair value through profit or loss” and hedge accounting)

Derivative instruments are recognized as positive or negative replacement values at fair value. If no hedge accounting is applied, all income components are recognized in “Trading income”. Information on hedge accounting is provided in note 33.

Other financial assets at fair value (“fair value through profit or loss”)

This balance sheet item contains financial assets that are not held for trading purposes but fall within the category “Fair value through profit or loss” due to the criteria set out in IFRS 9. This balance sheet item is treated the same way in the income statement as trading portfolio assets.

Other financial liabilities at fair value (“fair value through profit or loss”)

This balance sheet item contains issued structured products and debt instruments for which the fair value option is applied. They are managed, measured and reported to the Board of Directors and the Executive Committee on a fair value basis according to a documented strategy. They are treated the same way in the income statement as trading portfolio liabilities (information on the treatment of the impact of changes in own credit risk is provided in note 3 “Trading income”).

Financial investments (“fair value through other comprehensive income”)

This balance sheet item contains long-term equity investments (e.g. investments in infrastructure companies) on the one hand, and, on the other hand, debt instruments with a business model aimed at both selling debt instruments and collecting contractual cash flows that are solely payments of principal and interest on the principal amount. The financial investments are recognized at fair value.

In the case of equity investments, dividends are recognized in “Net interest and dividend income” and all other income components are recognized in other comprehensive income. Realized income is not transferred to profit or loss.

In the case of debt instruments, changes in fair value are recognized in other comprehensive income. The change in expected credit losses is shown in “Net interest and dividend income”, and the offsetting entry is recognized in other comprehensive income. If a debt instrument is sold, expected credit losses and cumulative changes in fair value are transferred from other comprehensive income to the income statement. Interest is accrued in the period in which it is earned using the effective interest method and recognized in “Net interest and dividend income”. For further information on expected credit losses, see note 30.

Cash, due from banks, receivables from securities financing transactions and loans (“amortised cost”)

These positions are held to collect contractual cash flows, that are solely payments of principal and interest on the principal amount. The cash holdings in the balance sheet item “Cash” are recognized at nominal value and other positions are recognized at amortized cost less expected credit losses. Securities received in the context of securities financing transactions are not recognized in the balance sheet, since the risks and rewards of ownership are not transferred to Vontobel.

The change in expected credit losses is shown in "Net interest and dividend income". Interest on positions that are not past due is accrued in the period in which it is earned using the effective interest method and recognized in "Net interest and dividend income". Negative interest is shown as interest expense. For further information on expected credit losses, see note 30.

Due to banks, payables from securities financing transactions, customer deposits and debt issued ("amortised cost")
These positions are recognized at amortized cost. Interest is accrued in the period in which it is incurred using the effective interest method and recognized in "Net interest and dividend income". Negative interest is shown as interest income. Securities that are transferred in the context of securities financing transactions are not derecognized since the risks and rewards of ownership are not transferred. Additional Tier 1 bond positions held due to market making activities are classed as repaid and are offset in the balance sheet item "Debt issued".

Receivables and liabilities in the form of precious metals ("Fair value through profit of loss")
The balance sheet positions due from and to banks, loans and customer deposits may also include receivables and liabilities in the form of precious metals. Such positions are recognized at fair value. All income components from such positions are recognized in "Trading income".

3.4 Precious metals and cryptocurrencies
In connection with its trading and issuing business, Vontobel holds commodities positions – especially in precious metals and cryptocurrencies. They are used primarily to hedge risks arising from the structured products issued. They are measured at fair value less selling costs and are recorded in the balance sheet item "Trading portfolio assets". Gains and losses are recognized in "Trading income". In the Notes to the consolidated financial statements, these items are disclosed together with the financial instruments held for trading purposes.

3.5 Treasury shares and derivatives on own shares
Vontobel Holding AG shares held by Vontobel are recognized in "Treasury shares" in the balance sheet at the weighted average acquisition cost. When treasury shares are sold, the proceeds are recorded in "Capital reserve" and the acquisition cost is transferred from the balance sheet position "Treasury shares" to "Capital reserve".

Derivatives on own shares that have to be physically settled are recognized in shareholders' equity under "Capital reserve". Changes in fair value are not recognized. The settlement of a contract is treated like a purchase or sale of treasury shares.

Derivatives on own shares that are settled in cash or that offer a choice of settlement method are treated as derivative financial instruments.

3.6 Other accounting principles
The accounting principles on the following topics can be found in the corresponding note within the Notes to the consolidated financial statements.
- Net fee and commission income, note 2
- Own credit risk from financial liabilities for which the fair value option is applied, note 3
- Taxes, note 9
- Property, equipment and software, note 16
- Leasing, note 17
- Goodwill and other intangible assets, note 18
- Provisions, note 24
- Fair value of financial instruments, note 29
- Expected credit losses, note 30
- Netting agreements, note 31
- Hedge accounting, note 33
- Employee benefit plans, note 36
- Other employee benefits payable in the long term, note 37
- Employee share-based benefit program and other deferred compensation, note 38
- Segment reporting, note 47
- Unconsolidated structured entities, note 50

4. Changes in financial reporting

4.1 Changes in accounting principles

4.1.1 Standards and interpretations that have been implemented

The following new or revised standards and interpretations did not have any significant impacts on Vontobel when applied for the first time in the financial year 2022 or they were not relevant for Vontobel:

- IAS 16 – Proceeds before Intended Use
- IAS 37 – Onerous Contracts – Cost of Fulfilling a Contract
- IFRS 3 – Reference to the Conceptual Framework
- IFRS 16 – Covid-19-Related Rent Concessions beyond June 30, 2021
- Annual Improvements 2018–2020

4.1.2 Other changes

Vontobel has made minor changes to its financial reporting to make it more transparent and easier to understand:

- Net interest income: To take account of the fact that net interest income also includes dividend income from financial investments, individual positions have been renamed accordingly. Further, the previous subtotal “Net interest income” is no longer shown.
- Loans and due to customers: These two balance sheet positions are now shown in the balance sheet after receivables or payables from securities financing transactions. In addition, the balance sheet position “Due to customers” was renamed “Customer deposits”.
- Cash flow statement: Due to the disclosure of the position “Income taxes paid”, a correction has to be made for the tax expense already included in Group net profit. The corresponding amount was previously included in the line items “Other liabilities” (current income tax expense) and “Deferred income taxes” (deferred income tax expense). The total of the two amounts is now reported in a separate line item. The line item “Deferred income taxes” is no longer shown. In addition, the position “Income taxes paid” now only comprises income taxes paid (this position previously also included taxes on capital paid). The figures for the prior year were adjusted accordingly.
- Note 3 “Trading income”: The quantitative information on changes in own credit risk is now shown in the form of a table.
- Note 9, “Deferred taxes” table: The offsetting of deferred tax assets and deferred tax liabilities is now shown.
- The notes relating to hedge accounting, unconsolidated structured entities and loans are shown in a different order.

4.2 Changes in estimates

There were no changes to estimates compared to the previous year.

5. Standards and interpretations that have not yet been implemented

Various new and revised standards and interpretations have to be applied for financial years beginning on or after January 1, 2023. Vontobel has not made use of the option of applying the following standards and interpretations prior to the effective dates.

Based on initial analyses, the following new and revised standards and interpretations are not expected to have a significant impact on Vontobel's net profit, comprehensive income and shareholders' equity or are not expected to be relevant to Vontobel:
- IAS 1 – Classification of Liabilities as Current or Non-current
- IAS 1 – Disclosure of Accounting Policies
- IAS 1 – Non-current Liabilities with Covenants
- IAS 8 – Definition of Accounting Estimates
- IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 16 – Lease Liability in a Sale and Leaseback
- IFRS 17 – Insurance Contracts

Risk management and risk control

1. Risk policy

A conscious and prudent approach to risk is a prerequisite for the sustained, long-term success of Vontobel. The assumption of risk is an inherent part of its business activities. The Group-wide risk culture, which is firmly established at every level of the company and is reviewed on an ongoing basis, ensures that risks are recognized and that appropriate control and mitigation mechanisms are implemented and refined.

In its risk policy – which is part of the institution-wide Risk Management Framework – Vontobel defines the relevant risk categories (risk taxonomy), the corresponding risk appetite, as well as the powers of authorization, organizational structure, methods and processes for the management and control of risks. The appropriateness of the risk policy is reviewed at least once annually by the Board of Directors.

The Board of Directors evaluates and monitors the Group's Internal Control System using a systematically developed risk analysis model discussed with the Executive Committee.

The Risk Management and Risk Control units ensure that all risks are managed and monitored with the utmost care.

The most important principles regarding risk management and control are:
- Clearly delegated responsibilities and powers of authorization
- Alignment of risk profile, risk appetite and risk capacity
- Independent control functions and adequate human and technical resources
- Adequate internal control systems
- Transparency about the risks taken is provided through comprehensive reporting of the risk profile (risks taken) and risk appetite.

Clear responsibilities and powers of authorization
Organizational aspects and powers of authorization relating to the management and control of all risks have been defined as follows:
- The Board of Directors has the ultimate responsibility for risk issues.
- The Executive Committee is responsible for the operational implementation of the risk policy and for the management and control of all risks.
- The heads of the Client Units and Centers of Excellence are responsible for managing risks in accordance with the relevant qualitative and quantitative guidelines.
- The Risk Control divisions are responsible for risk control.

Alignment of risk profile and risk capacity
Comprehensive, combined Group-wide stress tests are conducted on a regular basis. In addition to market and credit risks (i.e. position risks), these tests assess operational risks as well as risks relating to income and costs. The results of the stress tests are compared with Vontobel's risk capacity to ensure that its risk profile does not exceed the available risk capacity and that any adjustments are made promptly.

Independent control functions as well as adequate human and technical resources
The Risk Control divisions that are responsible for risk control report directly to the Chief Financial Officer (CFO). The CFO role is independent from the Client Units and the supervised Centers of Excellence and is part of the Executive Committee.

The Risk Control divisions are organized into various teams, which are responsible for the subsequent independent monitoring of market, credit and counterparty risks and operational risks in general, as well as the risks that result when client assets are not invested in accordance with internal or external regulations (investment control) in particular.

In terms of operational risks in particular, an important role is also played by the Center of Excellence Legal & Compliance. The head of Legal & Compliance is the General Counsel, who also works independently from the Client Units and Centers of Excellence and is a member of the Executive Committee.

The Risk Control divisions are primarily responsible for identifying risks related to ongoing business activities, changes in the environment (markets or regulation) or the launch of new activities (new products and services or new markets). Secondly, it records the identified risks using suitable methods and quantifies them using measuring systems as far as possible. These risks are then consolidated, analyzed and monitored. Vontobel employs conventional methods and procedures to achieve this (see the following sections on the individual risk categories). Market, counterparty and credit risks are monitored on a daily basis and compared with the limits that have been set. If any limits are exceeded, this is reported immediately and the position is monitored closely until the additional exposure is reduced. The Risk Control divisions' third responsibility is to transparently present the risks that have been assumed.

Adequacy of internal control systems
The management and control of all risks is essentially performed using a holistic approach referred to as the Internal Control System (ICS). In accordance with FINMA Circular 01/17 "Corporate governance – banks", as well as the provisions governing control processes during the production of financial statements according to the Swiss Code of Obligations, existing control processes are regularly reviewed and further optimized. As well as ensuring compliance with legal and regulatory requirements, the focus is on ensuring the effectiveness, efficiency and reliability of business processes as well as of financial information and risk data.

Transparency regarding the risks taken
Vontobel's risk policy distinguishes between strategic, market, liquidity, credit, counterparty, operational and reputational risks. The latter are considered to be of particular and overriding importance. The Board of Directors, the Executive Committee and employees know that the good reputation of Vontobel and the trust which is placed in it are based on their ability to strike a balance between profit orientation, risk tolerance, and compliance with mandatory rules of conduct each day.

The transparent presentation of the risk profile in consolidated form and of the individual risks that have been assumed in detailed form is a core function of the Risk Control divisions (see above). The front office areas that are responsible for risk management are informed about market and counterparty risks on a daily basis, mainly via suitable reports. However, reports on operational risks are provided at appropriate intervals rather than on a daily basis. A Committee for Operational Risks is convened on a monthly basis.

The Executive Committee and the Board of Directors are informed in full about any changes in individual risk factors and the Group's risk profile via consolidated periodic risk reports.

2. Strategic risk

Vontobel defines strategic risk as the risk that the strategic objectives it has set, and the operational objectives derived from them, will not be realized in the course of current business operations due to a failure to adequately adapt to changing operating conditions or as a result of decisions that subsequently prove to be wrong.

Strategic risk is regularly reviewed and assessed as part of Vontobel's holistic approach to risk monitoring, with a particular focus being placed on the assessment of the environment and of the company's strategic direction. The Executive Committee is informed of the qualitative results of the analysis, which are approved by the Board of Directors. If necessary, risk mitigation measures are defined and implemented. These measures are also taken into account in strategic and operational planning.

3. Market risk

3.1 General information
Market risk refers to the risk of losses as a result of changes in market parameters such as interest rates, credit spreads, foreign exchange rates, stock prices or commodities prices and the corresponding volatilities. Market risks are relevant in various areas, both in the Structured Products division and in the Treasury division (aggregated in the Center of Excellence Structured Solutions & Treasury).

In Structured Products, the major proportion of the risk positions originates from the business with proprietary products such as warrants, certificates and structured products, as well as the hedging of these instruments. Structured Products is responsible for these positions, as well as for foreign exchange and money market trading, the management of the foreign exchange position and collateral trading (repo transactions and securities lending and borrowing transactions).

Market risks are limited and monitored using a multi-level system of limits. In addition to the Value at Risk limits and stress exposure limits prescribed at a global level and for each trading unit, this system defines a wide range of detailed sensitivity limits and volume limits in order to control and limit risks.

Positions involving market risks are also held in Treasury. Financial investments consist of broadly diversified portfolios of interest rate instruments and some long-term and non-consolidated participations (see note 14). To quantify and limit risk, the same measurement methods – i.e. Value at Risk and stress exposure – are used for these positions at a consolidated level as well as for the positions held by Structured Products. Further information on market risks at overall balance sheet level (interest rate risks and currency risks) can be found in section 3.3 "Market risks related to the balance sheet structure".

3.2 Market risks in the Structured Products and Treasury divisions

3.2.1 Value at Risk (VaR)

The management and control of market risks for all the positions in Structured Products as well as for securities holdings in Treasury are based on specific sensitivity and volume limits as well as on Value at Risk and stress exposure measurements, in line with the general market standard.

VaR is measured daily using the historical simulation method. All instruments are revalued based on historical changes to the risk factors. As a result, the historically observed volatility of the individual risk factors and the historically observed correlations between the individual risk factors are incorporated directly into the VaR calculations. The confidence level is 99 percent, the holding period is set at one day and the historical period of observation to determine the time series relevant to VaR extends over the last four years.

The following table shows the VaR for Vontobel as a whole, as well as for Structured Products. The average VaR for the year under review totaled CHF 7.5 million for Vontobel as a whole, of which CHF 5.9 million related to Structured Products (2021: average VaR of CHF 6.4 million for Vontobel and of CHF 5.9 million for Structured Products).

The table also shows the relative importance of the VaR of the individual risk factors as a proportion of total VaR. The average VaR figures indicate that in the case of Vontobel, equity and interest rate risks (including issuer-specific credit spread risks) represent the most significant risk factors. Currency and commodities risks are of secondary importance.

Value at Risk (VaR) for Vontobel overall and for Structured Products[1]

CHF M	EQUITIES[2]	INTERESTS INCL. CREDIT SPREAD	CURRENCIES[3]	COMMODITIES	DIVERSIFICATION	31.12.2022 TOTAL
Vontobel:	**5.2**	**11.4**	**0.2**	**0.6**	**–9.2**	**8.2**
Average	4.8	8.9	1.6	0.4	–8.2	7.5
Minimum	2.5	3.4	0.2	0.2	n/a[4]	4.0
Maximum	8.4	13.8	5.9	1.5	n/a[4]	11.3
of which Structured Products	*5.2*	*6.9*	*0.2*	*0.6*	*–6.8*	*6.2*
Average	*4.8*	*5.1*	*1.5*	*0.4*	*–5.9*	*5.9*
Minimum	*2.5*	*2.3*	*0.2*	*0.2*	*n/a[4]*	*3.7*
Maximum	*8.4*	*8.8*	*5.7*	*1.5*	*n/a[4]*	*9.3*

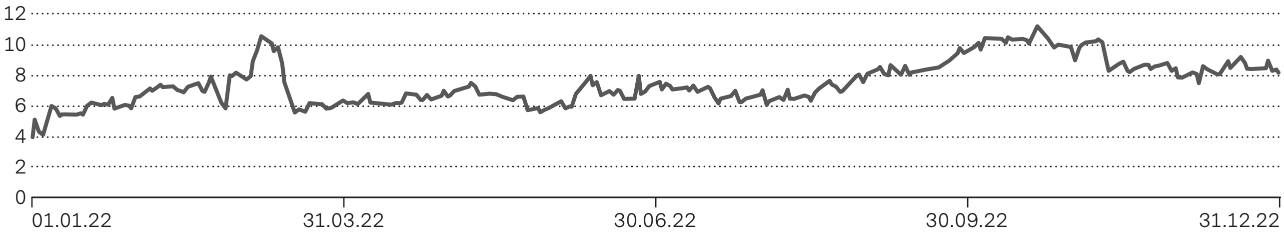
Value at Risk (VaR) for Vontobel overall and for Structured Products[1]

CHF M	EQUITIES[2]	INTERESTS INCL. CREDIT SPREAD	CURRENCIES[3]	COMMODITIES	DIVERSIFICATION	31.12.2021 TOTAL
Vontobel:	**2.6**	**3.4**	**2.2**	**0.2**	**–4.6**	**3.8**
Average	5.6	2.6	2.5	0.2	–4.5	6.4
Minimum	2.5	1.5	0.8	0.0	n/a[4]	2.9
Maximum	13.4	5.9	6.6	0.8	n/a[4]	13.4
of which Structured Products	*2.5*	*2.3*	*2.2*	*0.2*	*–3.7*	*3.5*
Average	*5.5*	*1.6*	*1.4*	*0.2*	*–2.8*	*5.9*
Minimum	*2.4*	*0.8*	*0.2*	*0.0*	*n/a[4]*	*2.8*
Maximum	*12.8*	*2.7*	*7.5*	*0.8*	*n/a[4]*	*13.0*

1 99% confidence level; 1-day holding period; historical observation period of the last four years. The contributions to the risk factors include both price and volatility risks.
2 Including positions in investment funds and hedge funds
3 Including precious metals
4 The maximum and minimum exposures for the total VaR and component VaR may have arisen on different days. Diversification is therefore not applicable here.

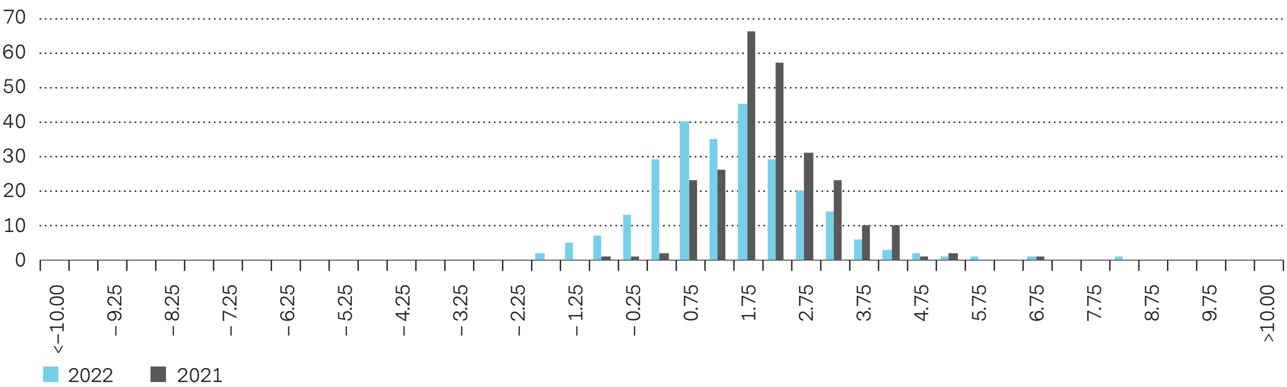
The graph below shows the development over time of 1-day VaR for the positions of Structured Products at Vontobel. There is also a graph to show the frequency distribution of daily gains and losses for the years 2022 and 2021.

Value at Risk (VaR)[1] for the positions of Structured Products
CHF M



1 99% confidence level; 1-day holding period; last four years historical observation period

Frequency distribution of the gains and losses of the positions of Structured Products[1]
number of days



1 The reported gains and losses represent actual income incl. spreads as well as income from intraday trading (in CHF M).

3.2.2 Stress exposure

In addition to the VaR limits based on a 99 percent confidence level, stress exposure limits have also been defined. The corresponding stress tests are conducted on a daily basis. All positions held by Structured Products and all securities positions of Treasury are re-evaluated in a variety of stress scenarios (with 1-day to 10-day holding periods) and the scenario with the largest loss is subsequently defined as the stress exposure. The calculations are based on historical and institute-specific stress scenarios. The stress scenarios are reviewed regularly and are supplemented or adapted where necessary based on changes in the market environment and risk positioning.

3.3 Market risks related to the balance sheet structure

Treasury (within the Center of Excellence Structured Products & Treasury) is responsible for managing the balance sheet structure, capital and liquid assets. Interest rate risks and currency risks are monitored and limited as part of the Group's asset and liability management (ALM) activities. Treasury is also responsible for securing refinancing and monitoring liquidity risk on a continuous basis.

3.3.1 Interest rate risk

Interest rate and foreign exchange risks arise in balance sheet management through differing fixed interest rate periods and foreign currencies on the asset and liability side of the balance sheet and for off-balance-sheet items. These risks are managed and monitored at an aggregated level. The impact of interest rate sensitivities on the market value of shareholders' equity (broken down to show Structured Products and Treasury positions) are presented below. The table shows the gains and losses by currency and maturity range, assuming a + / –100 basis point change in interest rates. Assuming additive aggregation between individual currencies, the sensitivity to a +100 basis points change corresponds to CHF –33.9 million for the current year and CHF –18.3 million for the previous year.

Interest rate risks

					INTEREST RATE SENSITIVITY AS OF 31.12.2022	
CHF M	**UP TO 1 MONTH**	**1 TO 3 MONTHS**	**3 TO 12 MONTHS**	**1 TO 5 YEARS**	**MORE THAN 5 YEARS**	**TOTAL**
Interest rate risks						
+100 basis points						
CHF: Vontobel	2.3	–0.3	11.3	–12.2	–21.5	–20.2
of which Structured Products	*0.0*	*–0.1*	*1.0*	*–0.9*	*–0.1*	*0.1*
of which Treasury	*2.3*	*–0.2*	*10.3*	*–11.3*	*–21.4*	*–20.4*
USD: Vontobel	1.1	0.1	3.1	–13.4	–0.2	–9.3
of which Structured Products	*0.0*	*–0.1*	*0.7*	*–1.8*	*0.8*	*–0.4*
of which Treasury	*1.1*	*0.2*	*2.4*	*–11.6*	*–1.0*	*–8.9*
EUR: Vontobel	1.1	–0.4	2.6	–5.4	–0.8	–2.9
of which Structured Products	*–0.0*	*–0.1*	*–0.1*	*–1.3*	*1.2*	*–0.3*
of which Treasury	*1.1*	*–0.3*	*2.7*	*–4.1*	*–2.0*	*–2.7*
Others: Vontobel	0.0	–0.2	–0.7	–0.5	–0.2	–1.5
of which Structured Products	*0.0*	*–0.1*	*–0.2*	*–0.2*	*–0.2*	*–0.6*
of which Treasury	*0.0*	*–0.1*	*–0.5*	*–0.3*	*0.0*	*–0.9*
–100 basis points						
CHF: Vontobel	–2.3	0.3	–11.7	12.5	23.6	22.4
of which Structured Products	*–0.0*	*0.0*	*–1.2*	*0.7*	*0.2*	*–0.3*
of which Treasury	*–2.3*	*0.3*	*–10.5*	*11.8*	*23.4*	*22.6*
USD: Vontobel	–1.1	–0.1	–3.3	14.2	0.2	10.0
of which Structured Products	*–0.0*	*0.1*	*–0.8*	*2.2*	*–0.9*	*0.7*
of which Treasury	*–1.1*	*–0.2*	*–2.5*	*12.0*	*1.1*	*9.4*
EUR: Vontobel	–1.1	0.3	–2.8	5.5	0.9	2.9
of which Structured Products	*0.0*	*0.0*	*–0.1*	*1.2*	*–1.3*	*–0.1*
of which Treasury	*–1.1*	*0.3*	*–2.7*	*4.3*	*2.2*	*3.0*
Others: Vontobel	–0.0	0.2	0.7	0.5	0.2	1.6
of which Structured Products	*–0.0*	*0.1*	*0.2*	*0.2*	*0.2*	*0.7*
of which Treasury	*0.0*	*0.1*	*0.5*	*0.3*	*0.0*	*0.9*

Interest rate risks

CHF M	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
					INTEREST RATE SENSITIVITY AS OF 31.12.2021	
Interest rate risks						
+100 basis points						
CHF: Vontobel	1.3	–0.9	9.5	4.3	–54.3	–40.1
of which Structured Products	*0.1*	*–0.9*	*–2.4*	*–0.7*	*0.8*	*–3.0*
of which Treasury	*1.2*	*0.0*	*11.9*	*5.0*	*–55.1*	*–37.0*
USD: Vontobel	0.4	–1.7	8.2	7.1	–1.8	12.2
of which Structured Products	*–0.1*	*–1.3*	*1.4*	*–0.3*	*0.5*	*0.3*
of which Treasury	*0.5*	*–0.4*	*6.8*	*7.4*	*–2.3*	*12.0*
EUR: Vontobel	0.7	–1.3	3.4	9.7	–0.4	12.1
of which Structured Products	*0.0*	*–1.0*	*–0.4*	*0.7*	*3.6*	*2.9*
of which Treasury	*0.7*	*–0.3*	*3.8*	*9.0*	*–4.0*	*9.2*
Others: Vontobel	0.1	–0.1	–0.8	–1.5	–0.2	–2.5
of which Structured Products	*0.0*	*–0.0*	*–0.1*	*–0.6*	*–0.2*	*–0.9*
of which Treasury	*0.1*	*–0.1*	*–0.7*	*–0.9*	*0.0*	*–1.6*
–100 basis points						
CHF: Vontobel	–1.3	0.8	–9.9	–4.8	58.9	43.7
of which Structured Products	*–0.1*	*0.8*	*2.3*	*0.3*	*–1.1*	*2.1*
of which Treasury	*–1.2*	*0.0*	*–12.2*	*–5.1*	*60.0*	*41.5*
USD: Vontobel	–0.4	2.0	–8.7	–8.8	1.6	–14.3
of which Structured Products	*0.1*	*1.6*	*–1.8*	*–0.5*	*–0.6*	*–1.3*
of which Treasury	*–0.5*	*0.4*	*–6.9*	*–8.3*	*2.2*	*–13.1*
EUR: Vontobel	–0.7	1.2	–3.6	–10.7	0.3	–13.5
of which Structured Products	*–0.0*	*0.9*	*0.3*	*–0.8*	*–4.0*	*–3.7*
of which Treasury	*–0.7*	*0.3*	*–3.9*	*–9.9*	*4.3*	*–9.9*
Others: Vontobel	–0.1	0.1	0.7	1.4	0.2	2.3
of which Structured Products	*–0.0*	*0.0*	*0.0*	*0.5*	*0.2*	*0.8*
of which Treasury	*–0.1*	*0.1*	*0.7*	*0.9*	*0.0*	*1.6*

In the consolidated financial statements according to IFRS, the market value effect of changes in interest rates in the Structured Products business has an impact on the income statement as well as shareholders' equity, whereas the market value effect of changes in interest rates in Treasury is only reflected in shareholders' equity.

If interest rates changed by +100 (–100) basis points, the market value effect in the Structured Products business would be CHF –1.2 million as of December 31, 2022, and CHF –0.7 million as of December 31, 2021 (December 31, 2022: CHF +1.0 million, December 31, 2021: CHF –2.1 million). The total market value effect would be CHF –33.9 million as of December 31, 2022, and CHF –18.3 million as of December 31, 2021 (December 31, 2022: CHF +36.9 million, December 31, 2021: CHF +18.2 million).

In view of the limited significance of interest income from variable interest-bearing positions and positions that expire in the course of the year, the impact of a change in interest rates on income levels has not been simulated.

3.3.2 Currency risk

As in the case of interest rate risks, currency risks resulting from to trading and the balance sheet structure are kept at a low level. This is achieved primarily through currency-congruent investments and refinancing activities. The following table shows the sensitivities to changes in foreign exchange rates of +/-5 percent according to internal reports.

Currency risks

	CURRENCY SENSITIVITY AS OF 31.12.2022					
1,000 CHF	USD	EUR	JPY	GBP	PRECIOUS METALS	OTHERS
+5%						
Vontobel	2,603.8	173.9	–310.9	2,206.1	–22.1	–1,588.7
of which Structured Products	*1,848.4*	*78.9*	*–78.1*	*19.5*	*–22.1*	*253.2*
of which Treasury	*755.4*	*95.0*	*–232.8*	*2,186.6*	*0.0*	*–1,841.9*
–5%						
Vontobel	–1,780.6	–96.9	231.2	–2,241.2	–85.6	1,513.9
of which Structured Products	*–1,025.2*	*–1.8*	*–1.7*	*–54.6*	*–85.6*	*–328.0*
of which Treasury	*–755.4*	*–95.0*	*232.8*	*–2,186.6*	*0.0*	*1,841.9*

Currency risks

	CURRENCY SENSITIVITY AS OF 31.12.2021					
1,000 CHF	USD	EUR	JPY	GBP	PRECIOUS METALS	OTHERS
+5%						
Vontobel	5,382.2	4,399.4	32.8	7,371.2	–2.3	1,257.9
of which Structured Products	*695.0*	*1,286.0*	*26.0*	*180.8*	*–2.3*	*362.6*
of which Treasury	*4,687.2*	*3,113.4*	*6.9*	*7,190.5*	*0.0*	*895.3*
–5%						
Vontobel	–4,822.4	–3,500.5	–206.3	–7,213.0	–297.6	–1,108.2
of which Structured Products	*–135.2*	*–387.1*	*–199.5*	*–22.5*	*–297.6*	*–212.9*
of which Treasury	*–4,687.2*	*–3,113.4*	*–6.9*	*–7,190.5*	*0.0*	*–895.3*

4. Liquidity risk and refinancing

Liquidity risk refers to the risk of being unable to cover short-term funding needs at any time (e.g. due to the impossibility of substituting or renewing deposits, outflows of funds due to drawing on lending commitments or margin calls). Liquidity risk management ensures that Vontobel always has sufficient liquidity to be able to fulfil its payment obligations, even in stress scenarios. The liquidity risk management system therefore comprises operational risk measurement and control systems to ensure its continuous ability to pay its obligations at any time. It also defines strategies and requirements for the management of liquidity risk under stress conditions as part of the defined liquidity risk tolerance. They mainly include risk mitigation measures, the holding of a liquidity buffer comprising highly liquid assets, and a contingency plan to manage any liquidity shortfalls.

The diversification of sources of refinancing and access to the repo market ensure that cash and cash equivalents are rapidly available on a secured basis if required. Liquidity is monitored and assured on a daily basis. The continuous monitoring of the volume and quality of available collateral also ensures that Vontobel always has adequate refinancing capabilities. In the event of an unexpected tightening of liquidity, the Group can also access a portfolio of positions that retain their value and can easily be liquidated.

The maturity structure of assets and liabilities is shown in note 28. Liquidity has to be provided for the daily market making required for the issuing and trading business. Consequently, the balance sheet positions “Trading portfolio assets”, “Positive replacement values”, “Other financial assets at fair value”, “Trading portfolio liabilities”, “Negative replacement values” and “Other financial liabilities at fair value” are not broken down into individual cash flows and divided into different maturity ranges but are, instead, reported at fair value in the “Demand” column. In the case of the other financial balance sheet positions, the carrying amounts values are reported in the maturity range which represents the earliest point at which payment can be demanded according to the contractual provisions. In view of the predominantly short maturities, the breakdown of these positions into individual cash flows would provide an only marginally different view.

As part of the package of reforms announced by the Basel Committee on Banking Supervision (BCBS) in December 2010, it was decided that two quantitative minimum standards for liquidity management would be introduced: (a) the liquidity coverage ratio (LCR), which took effect on 1 January 2015, and (b) the net stable funding ratio (NSFR), which was introduced on July 1, 2021.

Liquidity coverage ratio in accordance with FINMA Circular 15/02

AVERAGE	H2 2022	Q4 2022	Q3 2022
Total stock of high-quality liquid assets (HQLA) in CHF M	10,978.9	10,180.4	11,777.4
Total net cash outflows in CHF M	6,535.4	6,202.7	6,868.2
Liquidity coverage ratio LCR in %	168.0	164.1	171.5

Net Stable Funding Ratio in accordance with FINMA Circular 15/02

	31.12.2022	31.12.2021
Available stable funding (ASF) in CHF M	15,009.1	14,003.9
Required stable funding (RSF) in CHF M	12,390.0	12,276.8
Net Stable Funding Ratio NSFR in %	121.1	114.1

The liquidity coverage ratio is disclosed in accordance with the requirements set out in FINMA Circular 16/01. The values used to calculate the liquidity coverage ratio are simple monthly averages for the relevant quarter or half-year. The average is calculated based on the values shown in the monthly liquidity status reports submitted to FINMA and the SNB. This results in three data points per quarter.

The main factors influencing Vontobel’s liquidity coverage ratio are cash holdings as high-quality liquid assets, customer cash accounts as weighted cash outflows, and reverse-repurchase agreements maturing within 30 calendar days as cash inflows.

5. Credit, counterparty and issuer risk

5.1 General information

Credit, counterparty and issuer risk concerns the risk of losses should a counterparty fail to honour its contractual obligations. In the case of Vontobel, it comprises default risks associated with:

- lending against collateral ("Lombard lending") and loans secured by real estate
- bond positions (issuer risk)
- money market investments
- securities lending and borrowing, repo transactions, collateral management and derivatives.

In principle, Vontobel does not engage in commercial lending. Mortgages and Lombard loans are offered to our clients and employees.

5.2 Lending to private and institutional investment clients

A precondition for lending, credit lines are set. An exposure must essentially be covered by the deposited collaterals. For the lombard lending business, i.e. the granting of loans subject to the provision of securities that serve as marketable collateral, the lending value of positions and portfolios is generally determined in accordance with the "comprehensive approach" prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The quality of the collateral (volatility, rating, liquidity and tradability) and the diversification of the portfolio and currency risks are considered in the calculations. Exposures to clients that are covered by collateral not recognized by the regulator are only entered into in exceptional situations.

In cases where the exposures are covered by market values but not by lending values, a risk alert process is initiated with the aim of restoring coverage through the reduction of the exposures, portfolio switches or the provision of additional collateral.

As of December 31, 2022, the credit exposure to private clients and institutional clients amounted to CHF 7638.7 million (December 31, 2021: CHF 7,481.2 million). Of this sum, CHF 1,780.7 million (December 31, 2021: CHF 1,634.8 million) was covered by real estates, CHF 5,621.0 million (December 31, 2021: CHF 5,574.7 million) by other collateral recognized by the regulator and CHF 237.0 million (December 31, 2021: CHF 271.7 million) by financial collateral not recognized by the regulator.

Credit exposure to private and institutional investment clients[1]

CHF M	COVERED BY COLLATERAL RECOGNIZED BY THE REGULATOR	COVERED BY COLLATERAL NOT RECOGNIZED BY THE REGULATOR	31.12.2022 TOTAL	COVERED BY COLLATERAL RECOGNIZED BY THE REGULATOR	COVERED BY COLLATERAL NOT RECOGNIZED BY THE REGULATOR	31.12.2021 TOTAL
Credit exposure	7,401.7	237.0	7,638.7	7,209.5	271.7	7,481.2

5.3 Exposures to professional counterparties and issuer risk

Vontobel has both secured and unsecured exposures to professional counterparties.

Secured exposures result from securities lending and borrowing, repo transactions, the collateral management of margin obligations and margin calls, as well as the collateralization of OTC derivatives that are eligible for netting. The mitigation of credit risks using securities as easily realizable liquid collateral is of key importance for these types of transactions. The transactions are generally concluded on the basis of collateralized netting agreements with strict requirements regarding eligible collateral, appropriate contractual lending values and low contractual thresholds and minimum transfer amounts. The daily calculation and comparison of credit exposures and collateral is a core element of the management and monitoring of credit risks. During this process, conservative add-on factors are applied to the credit exposures and conservative haircuts are applied to the collateral in accordance with the new standard approach SA-CCR prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The different add-ons and haircuts are determined according to the instrument, rating, term to maturity, liquidity and tradability.

Unsecured exposures mainly comprise the issuer risks in bond portfolios held in Structured Products or for the purpose of balance sheet management. They also include exposures relating to money market transactions, accounts, guarantees and contractual independent amounts (threshold values and minimum transfer amounts) that are agreed with counterparties in netting agreements for securities lending and borrowing, repurchase agreements and the collateralization of OTC derivatives.

Settlement risks are reduced through the use of the Continuous Linked Settlement (CLS) system when conducting foreign currency transactions. Vontobel is connected to the CLS system as a third party.

All exposures to professional counterparties and issuers are monitored and controlled using a differentiated system of limits – which is defined in the Credit Regulations and is reviewed annually – for the individual counterparties, rating segments, countries and regions.

Vontobel bases the management and limitation of exposures to professional counterparties on external assessments by Independent Credit View AG as well as on the ratings of external agencies recognized by FINMA. It uses the ratings of Fitch, Moody's, S&P and Fedafin (public sector bodies only). If various ratings exist for a specific position, the relevant rating is assigned according to the rules prescribed by the Basel Committee on Banking Supervision.

The requirements regarding counterparty creditworthiness are very high for unsecured credit risks as well as issuer risks. The breakdown of unsecured counterparty and issuer risks by rating category is shown in the following table and graph. This and the following tables only contain information on current unsecured exposures without potential exposures relating to collateralized positions. The figures including the application of add-ons or haircuts in accordance with capital regulations are presented in the tables in the section on capital.

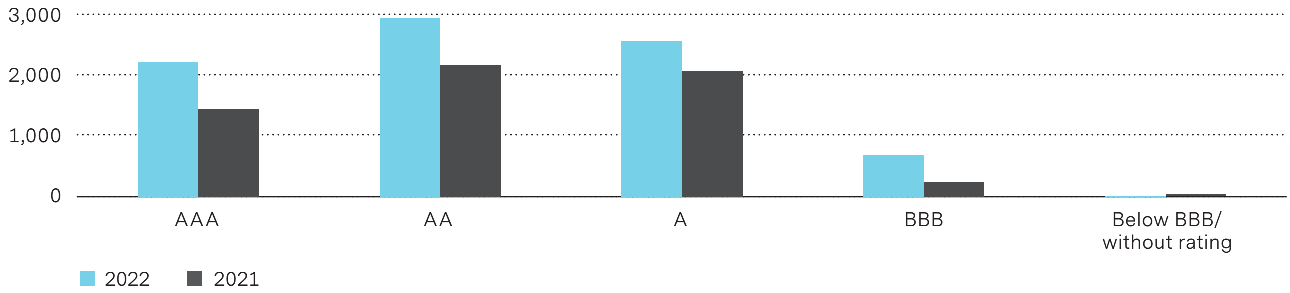
Breakdown of unsecured counterparty and issuer risks by rating[1]

CHF M	AAA	AA	A	BBB	BELOW BBB/ WITHOUT RATING	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	2,061.1	2,867.2	2,408.2	684.1	7.3	8,027.9
Money market and accounts[3]	123.6	42.5	94.3	1.1	5.2	266.7
Other financial receivables[4]	24.5	20.5	53.0	1.3	3.8	103.1
Total	**2,209.2**	**2,930.2**	**2,555.5**	**686.5**	**16.3**	**8,397.7**
Share (%)	26.3	34.9	30.4	8.2	0.2	100.0

CHF M	AAA	AA	A	BBB	BELOW BBB/ WITHOUT RATING	31.12.2021 TOTAL
Issuer risk from debt instruments[2]	1,411.7	2,117.1	1,902.0	240.7	0.0	5,671.5
Money market and accounts[3]	15.2	30.0	65.3	0.2	20.5	131.2
Other financial receivables[4]	12.9	9.1	93.8	3.7	9.8	129.3
Total	**1,439.8**	**2,156.2**	**2,061.1**	**244.6**	**30.3**	**5,932.0**
Share (%)	24.3	36.3	34.8	4.1	0.5	100.0

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 60.9 M as of 31.12.2022 or CHF 13.6 M as of 31.12.2021
3 Excludes cash account of CHF 3,711.9 M as of 31.12.2022 or CHF 3,856.5 M as of 31.12.2021 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

Breakdown of unsecured credit risks by rating
CHF M



The exposures mainly relate to the rating categories "AAA" and "AA", as shown in the previous table and graph: As of December 31, 2022, 61 percent (December 31, 2021: 61 percent of the exposures comprised these categories of high creditworthiness. 92 percent of the exposures comprised a rating of "A" or above (December 31, 2021: 95 percent). The proportion of exposures with a rating of less than "BBB" or with no rating was less than 1 percent (December 31, 2021: 1 percent). The breakdown of unsecured exposures by counterparty types and by geographical region is shown in the following tables.

Breakdown of unsecured counterparty and issuer risks by counterparty type[1]

CHF M	BANKS	OTHER CORPORATIONS/ INSTITUTIONS WITHOUT BANK STATUS	GOVERNMENTS/ PUBLIC SECTOR BODIES	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	2,470.0	2,266.5	3,291.4	8,027.9
Money market and accounts[3]	113.0	27.0	126.7	266.7
Other financial receivables[4]	93.7	6.8	2.6	103.1
Total	**2,676.7**	**2,300.3**	**3,420.7**	**8,397.7**

CHF M	BANKS	OTHER CORPORATIONS/ INSTITUTIONS WITHOUT BANK STATUS	GOVERNMENTS/ PUBLIC SECTOR BODIES	31.12.2021 TOTAL
Issuer risk from debt instruments[2]	2,071.3	1,002.9	2,597.3	5,671.5
Money market and accounts[3]	74.3	38.6	18.3	131.2
Other financial receivables[4]	80.0	46.8	2.5	129.3
Total	**2,225.6**	**1,088.3**	**2,618.1**	**5,932.0**

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 60.9 M as of 31.12.2022 or CHF 13.6 M as of 31.12.2021
3 Excludes cash account of CHF 3,711.9 M as of 31.12.2022 or CHF 3,856.5 M as of 31.12.2021 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

In terms of the counterparty type, a large proportion of unsecured counterparty and issuer risks relates to governments and banks, as expected. As of December 31, 2022, governments, including public sector bodies, accounted for CHF 3,420.7 million (December 31, 2021: CHF 2,618.1 million) of a total of CHF 8,397.7 million (December 31, 2021: CHF 5,932.0 million) or 41 percent (December 31, 2021: 44 percent). Banks accounted for CHF 2,676.7 million (December 31, 2021 CHF 2,225.6 million) of a total of CHF 8,397.7 million (December 31, 2021: CHF 5,932.0 million) or 32 percent (December 31, 2021: 38 percent). When setting limits, considerable importance is assigned to the avoidance of concentration risks relating to individual counterparties, thus ensuring that exposures within counterparty categories are broadly diversified.

Breakdown of unsecured counterparty and issuer risks by region[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	1,474.7	2,852.5	1,978.0	1,613.8	108.9	8,027.9
Money market and accounts[3]	31.1	221.0	11.3	3.2	0.1	266.7
Other financial receivables[4]	65.4	9.9	27.8	0.0		103.1
Total	**1,571.2**	**3,083.4**	**2,017.1**	**1,617.0**	**109.0**	**8,397.7**

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2021 TOTAL
Issuer risk from debt instruments[2]	508.7	2,557.1	1,226.3	1,302.6	76.8	5,671.5
Money market and accounts[3]	31.5	76.8	20.5	2.2	0.2	131.2
Other financial receivables[4]	82.8	9.0	28.3	9.2	0.0	129.3
Total	**623.0**	**2,642.9**	**1,275.1**	**1,314.0**	**77.0**	**5,932.0**

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 60.9 M as of 31.12.2022 or CHF 13.6 M as of 31.12.2021
3 Excludes cash account of CHF 3,711.9 M as of 31.12.2022 or CHF 3,856.5 M as of 31.12.20201 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

In geographical terms, the unsecured counterparty and issuer risks mainly relate to the regions of Europe, North America and Asia.

6. Operational risks

6.1 General information

Operational risk is the risk of losses occurring due to the inadequacy or failure of internal processes, people, and systems or as a result of external events.

6.2 Processes and methods

All business activities entail operational risks, which are prevented, mitigated, transferred or assumed based on cost/benefit considerations. During this process, potential legal, regulatory, and compliance-related risks are considered, as are risks derived from them, such as reputational risks.

The Group-wide Governance, Risk and Compliance (GRC) Platform serves as the basis for the management of operational risks. During the annual Risk & Controls Self-Assessment (RCSA), the key operational risks in the bank's processes are identified and evaluated to ensure a robust control environment. In addition, an indepth analysis of core security topics such as information and data protection and Business Continuity Management (BCM) including their functionalities, is carried out. Currently the RCSA process is being optimised in order to allow for a more instinctive and efficient process and risk and control evaluation.

6.2.1 Qualitative assessment

The qualitative assessment of operational risks is carried out using estimates of the loss potential and probability of occurrence of these risks. The inherent risks are determined and compared with existing controls and risk-mitig ating measures to identify residual risks. These residual risks are evaluate to determine compliance with pre-defined risk tolerances. In case of breach of these risk tolerances further risk-mitigating measures are defined and introduced.

6.2.2 Quantitative assessment

In addition to qualitative assessments, quantitative methods are used to measure and monitor operational risks. Amongst other things they include monitoring of the so-called Key Risk Indicators (KRIs), their applicable adjustments or relevant development for all Client Units (CUs) and Centres of Excellence (CoE). The measured risks are then compared against the pre-defined risk tolerances and in case of breach further risk-mitigating measures will be defined and introduced where applicable. In addition, reports on the KRIs are regularly submitted to the Heads of Finance, Risk, Legal & Compliance and Internal Audit.

6.2.3 Internal Control System

Processes, tools, and methodologies which seek to control operational risks form part of the Internal Control System (ICS). The ICS provides the framework required to ensure that strategic objectives are achieved in an orderly and controlled fashion in all areas of the organization. The ICS is reviewed at least once per year and is adapted or strengthened if necessary.

6.3 Legal, regulatory and compliance-related risks

As a market participant in the financial services industry, Vontobel is subject to extensive regulations and requirements defined by government bodies, regulatory authorities and self-regulatory organizations in Switzerland and other countries in which Vontobel operates.

Legal and compliance-related risks are the risk of losses occurring due to non-compliance with or the infringement of applicable laws, internal or external codes of conduct and market practices, as well as contractual obligations. Such issues may not only lead to financial losses but can also result in regulators imposing fines or measures on the organization or can lead to reputational harm. Regulatory risk is the risk that changes to laws and rules of conduct could adversely impact Vontobel's activities.

To prevent or mitigate legal, regulatory and compliance-related risks, Vontobel has implemented structures and processes that are designed to create and raise employee awareness of these risks and to provide relevant training and information to all employees. In addition, Vontobel has an appropriate system of policies and effective control processes in place to ensure compliance with legal and regulatory requirements and existing framework conditions. The corresponding compliance standards are regularly reviewed and adapted in line with regulatory and legal developments where required.

6.4 Technology and cyber risks

Due to its current business model, Vontobel operates in a complex technological and digitized environment. The protection of confidentiality, integrity and the availability of IT systems are of critical importance for all operations.

Technology risks form part of operational risks and consist of risks resulting from technical failures that could affect business activities. These risks are not only inherent in the existing IT infrastructure but may also affect the employees and processes that interact with it. It is essential that the data used to support centralised business processes and the associated reporting is secure, complete, accurate, and up to date, and that it meets appropriate quality standards.

In addition, critical IT systems must be secure and resilient and have the necessary ability, capacity, and adaptability to meet current and future business objectives and client needs, and to comply with regulatory and legal requirements.

Cyber risk is an integral part of technology risk and involves cases where the functioning of systems is compromised because of cyber-attacks, security breaches, unauthorized access, loss or destruction of data, unavailability of services, computer viruses or other security-related events.

To prevent and manage technology and cyber risks, various tools are used as part of a comprehensive technology risk management approach, both at operational level and in terms of business continuity and other crisis and emergency plans. The Technology Risk Management function is integrated within Group-wide Risk Management.

6.5 Insurance

Vontobel's insurance policy is aligned with the Group's operational risk management and financial risks.

In the first instance, Vontobel strives to prevent or mitigate risks as far as possible in accordance with the Group's risk policy. In a second step, it determines whether Vontobel can and should bear the risks itself. If this is not the case, the risks are covered by insurance policies. In particular, risks of a catastrophic nature are insured in order to protect the Group's capital base.

The internal Insurance unit continuously analyses and evaluates the need for insurance measures on an ongoing basis.

Various other factors are considered when purchasing insurance. They mainly comprise compulsory insurance cover to meet legal requirements. However, a series of other business considerations can lead to a wide range of risks for which Vontobel also purchases insurance cover.

7. Reputational risks

Reputational risk is understood as risks that could cause sustained harm to Vontobel’s image and reputation based on occurred events. As such, reputational risks often constitute subsequent risks to the other risk categories described above.

Vontobel’s ability to conduct its business depends to a significant extent on its reputation, which has been built over the bank’s long history. It is therefore of key importance for Vontobel to safeguard its good name and all employees assign the highest priority to this matter. Consequently, appropriate measures are taken on an ongoing basis to make employees aware of the key importance of Vontobel’s reputation.

Capital

The capital base serves primarily as a means of covering inherent business risks. The active management of the volume and structure of capital is therefore of key importance. The monitoring and management of capital adequacy is performed primarily on the basis of the regulations and ratios defined by the Basel Committee on Banking Supervision, as well as other criteria. Compliance with the statutory capital adequacy requirements prescribed by Switzerland and the Swiss Financial Market Supervisory Authority (FINMA) is mandatory. External capital adequacy requirements were met in the year under review and in previous years without exception.

1. Capital management

Capital management is aimed primarily at supporting growth and creating added value for shareholders while complying with regulatory capital requirements. A solid capital position and structure also enable Vontobel to demonstrate its financial strength and creditworthiness to its business partners and clients.

Capital management is performed while taking account of the economic environment and the risk profile of all business activities. Various control options are available to maintain the target level of capital and the desired capital structure or to adapt them in line with changing requirements. These options include flexible dividend payments, the repayment of capital or the procurement of various forms of regulatory capital. During the year under review, there were no significant changes to the objectives, principles of action or processes compared to the previous year.

2. Regulatory requirements

The new capital requirements (Basel III) entered into force on January 1, 2013. They are described in detail in the Swiss Capital Adequacy Ordinance (CAO) and the FINMA Circulars that it refers to.

To determine net eligible common equity tier 1 capital under Basel III, additional deductions are made from capital calculated in accordance with IFRS. Goodwill, financial investments and intangible assets are most relevant for Vontobel in this context.

Banks can use a number of different approaches to calculate their capital adequacy requirements according to Basel III. Vontobel applies the International Standardized Approach (SA-BIS) for credit risks, the standardized approach for market risks and the basic indicator approach for operational risks. As part of the reduction of credit risks (risk mitigation), the comprehensive approach with standard haircuts defined by the supervisory authorities is applied for the recognition of collateral.

As a result of the recognition of the fair value option by FINMA in accordance with section XV. of the FINMA Circular 13 / 01 (Eligible equity capital – banks), unrealized gains and losses are included in the calculation of tier 1 capital. This excludes the valuation adjustments of own liabilities recorded in accordance with IFRS rules due to a change in own creditworthiness. As a result, tier 1 capital totaled CHF 1,502.3 million and the BIS tier 1 ratio was 23.8 percent as of December 31, 2022. The BIS tier 1 ratio thus substantially exceeds the minimum capital ratio.

The scope of consolidation used for the calculation of capital was the same in the year under review and the previous year as the scope of consolidation used for accounting purposes. Please refer to the tables “Major subsidiaries and participations” and “Changes in the scope of consolidation” in the Notes to the consolidated financial statements for further details. With the exception of the statutory regulations, no restrictions apply that prevent the transfer of money or capital within the Group.

Eligible and required capital

CHF M	31.12.2022	31.12.2021
Eligible capital		
Equity according to balance sheet	2,018.6	2,068.9
Paid-in capital	*56.9*	*56.9*
Disclosed reserves	*1,845.6*	*1,762.6*
Net profit for the current financial year	*229.8*	*373.8*
Deduction for treasury shares	*–113.7*	*–124.4*
Deduction for minority interests		
Deduction for dividends, as proposed by the Board of Directors	–170.6	–170.6
Deduction for goodwill	–528.5	–484.8
Deduction for intangible assets	–101.1	–62.2
Deduction for deferred tax assets	–14.9	–15.8
Deduction (addition) for gains (losses) due to changes in own credit risk	–2.6	1.3
Deduction for unrealised gains related to financial investments	–73.2	–85.2
Deduction for defined benefit pension fund assets (IAS 19)	–8.8	–60.2
Other adjustments	–66.2	–90.5
Net eligible BIS common equity tier 1 capital (CET1)	**1,052.7**	**1,100.7**
Additional tier 1 capital (AT1)	449.6	449.1
Net eligible BIS tier 1 capital	**1,502.3**	**1,549.8**
Supplementary capital (tier 2)		
Other deductions from total capital		
Net eligible regulatory capital (BIS tier 1 + 2)	**1,502.3**	**1,549.8**
Risk-weighted positions		
Credit risks	2,058.3	2,486.8
Receivables	*1,951.8*	*2,374.6*
Price risk relating to equity instruments in the banking book	*106.5*	*112.2*
Non-counterparty related risks	383.9	377.3
Market risks	1,280.0	1,343.5
Interest rates	*651.8*	*600.3*
Equities	*499.2*	*525.7*
Currencies	*44.6*	*123.7*
Gold	*1.2*	*1.3*
Commodities	*83.2*	*92.6*
Operational risk	2,581.8	2,409.7
Total risk-weighted positions	**6,304.1**	**6,617.3**

Capital ratios in accordance with FINMA Circular 16 / 01

(AS A PERCENTAGE OF RISK-WEIGHTED POSITIONS)	31.12.2022	31.12.2021
CET1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 4.5%)[1]	16.7	16.6
Tier 1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 6.0%)[2]	23.8	23.4
Total capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 8.0%)[3]	23.8	23.4
CET1 available to cover BCBS minimum capital and buffer requirements after deduction of AT1 and T2 capital requirements which are filled by CET1	12.2	12.1
CET1 available	16.7	16.6
T1 available	21.4	21.0
Eligible regulatory capital available	23.8	23.4

1 Target CET1 capital ratio according to Annex 8 CAO plus countercyclical buffer: 8.0%
2 Target tier 1 capital ratio according to Annex 8 CAO plus countercyclical buffer: 9.8%
3 Target total capital ratio according to Annex 8 CAO plus countercyclical buffer: 12.2%

The countercyclical buffer requirement (as a percentage of risk-weighted positions) is 0.2 (31.12.2021: 0.0).
All investments in the financial sector (< 10%) are risk-weighted for CAD calculations (31.12.2022: CHF 27.2 M / 31.12.2021: CHF 27.2 M).

Leverage ratio in accordance with FINMA Circular 15 / 03

	31.12.2022	31.12.2021
Net eligible BIS tier 1 capital in CHF M	1,502.3	1,549.8
Total leverage ratio exposure in CHF M	30,025.8	31,935.5
Leverage ratio (unweighted capital ratio in accordance with Basel III) in %	5.0	4.9

Vontobel publishes further information in accordance with FINMA Circular 16 / 01 in a separate disclosure report on www.vontobel.com (Investor Relations).

Notes to the consolidated income statement

1 Net interest and dividend income

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	IN %
Interest income from banks and customers	94.7	57.1	37.7	66
Interest income from receivables from securities financing transactions	8.8	2.4	6.3	263
Interest income from financial liabilities	3.9	12.8	–8.9	–70
Total interest income from financial instruments at amortized cost	**107.4**	**72.3**	**35.1**	**49**
Dividend income from equity instruments in financial investments[1]	2.4	4.0	–1.6	–40
Interest income from debt instruments in financial investments	16.7	13.1	3.7	28
Total interest and dividend income from financial investments	**19.1**	**17.1**	**2.0**	**12**
Total interest and dividend income	**126.6**	**89.4**	**37.1**	**41**
Interest expense from payables from securities financing transactions	2.4	1.1	1.4	127
Interest expense from other financial liabilities at amortized cost	18.7	15.7	3.0	19
Interest expense from financial assets	1.0	4.9	–3.8	–78
Total interest expense from financial instruments at amortized cost	**22.2**	**21.7**	**0.5**	**2**
Credit loss (expense) / recovery on debt instruments in financial investments	0.1	0.2	–0.1	–50
Other credit loss (expense) / recovery	–3.0	–6.6	3.6	55
Total credit loss (expense) / recovery	**–3.0**	**–6.5**	**3.5**	**54**
Total	**101.4**	**61.3**	**40.1**	**65**

1 All income comprises positions that were still held at the end of the reporting period.

2 Net fee and commission income

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	IN %
Brokerage fees	80.7	96.9	–16.3	–17
Administration and custody fees	208.6	231.5	–22.9	–10
Advisory and management fees	868.3	999.2	–130.9	–13
Issues and corporate finance	3.5	2.0	1.5	75
Other commission income from securities and investment transactions	25.7	28.0	–2.3	–8
Total fee and commission income from securities and investment transactions	**1,186.7**	**1,357.6**	**–170.9**	**–13**
Other fee and commission income	**4.3**	**3.7**	**0.5**	**14**
Brokerage fees	13.3	14.3	–0.9	–6
Other commission expense	343.9	372.3	–28.4	–8
Total fee and commission expense	**357.2**	**386.5**	**–29.4**	**–8**
Total	**833.8**	**974.8**	**–141.0**	**–14**

Vontobel offers its clients a broad range of services that represent its main earnings stream. Fee and commission income can be divided into two categories: Fees for services provided over time (e.g. portfolio management and investment advisory in the fund business and Wealth Management), which constitute by far the largest proportion of Vontobel's fee and commission income, and fees for services provided at a point in time (e.g. brokerage fees).

Fees for services provided over time are generally determined as a percentage of the average amount of relevant assets during the period when the service is rendered and recognized in profit or loss on a proportionate basis over the relevant period. They are invoiced to the client (e.g. private clients or investment funds) at least quarterly and charged to the relevant client assets. In the case of some services, additional performance-based fees may be incurred (e.g. performance fees in the fund business). They are recognized in profit or loss when it is highly probable that they will be collected, which is generally only the case once all performance criteria have been met. The measurement period for performance fees is usually a maximum of one year.

Fees for services provided at a point in time are generally determined as a percentage of the corresponding transaction volume. They are invoiced to the client after the service has been rendered and charged to the corresponding client assets. At the same time, they are recognized in profit or loss.

Based on the nature of Vontobel's commission business, as described above, the related claims, accruals and deferrals at the balance sheet date, and the corresponding impairment expense, are generally immaterial. The deferred commission income as at the balance sheet date is invoiced to the client in the following period. Subsequent changes to income are immaterial in Vontobel's fee and commission business.

3 Trading income

	2022	2021	CHANGE TO 2021	
	CHF M	CHF M	CHF M	IN %
Securities	–3,256.7	975.1	–4,231.8	–434
Other financial instruments at fair value	3,556.6	–533.6	4,090.2	767
Forex and precious metals	38.4	51.8	–13.4	–26
Total	**338.4**	**493.3**	**–154.9**	**–31**

The following table shows income for the period for financial instruments in the balance sheet position "Other financial liabilities at fair value" due to changes in own credit risk:

Income for the period

	2022	2021	CHANGE TO 2021	
	CHF M	CHF M	CHF M	IN %
Realized income	–0.1	–0.5	0.4	80
Unrealized income	1.2	–0.5	1.7	340
Total	**1.2**	**–1.0**	**2.2**	**220**

The following table shows cumulative income for financial instruments in the balance sheet position "Other financial liabilities at fair value" due to changes in own credit risk:

Cumulative income

	31.12.2022	31.12.2021	CHANGE TO 31.12.2021	
	CHF M	CHF M	CHF M	IN %
Realized income	1.8	1.9	–0.1	–5
Unrealized income	–0.1	–1.3	1.2	92
Total	**1.7**	**0.6**	**1.2**	**200**

Cumulative unrealized income is shown in the balance sheet item "Other financial liabilities at fair value" and will be completely reversed over the term of the relevant instruments, provided they are not redeemed or repurchased prior to their contractual maturity.

To determine unrealized income due to a change in own credit risk, the first step is the calculation of the risk premium of the instrument at the balance sheet date. This is the difference between the fair value of the instrument at the balance sheet date and the value that would result without taking account of own credit risk at the balance sheet date. In a second step, the risk premium of the instrument at the time of issue is determined and reduced in relation to the period between the balance sheet date and the time of issue on the one hand, and the total lifetime of the instrument on the other hand ("adjusted risk premium at the time of issue"). In a third step, cumulative unrealized income is calculated as the difference between the risk premium at the balance sheet date and the adjusted risk premium at the time of issue. The unrealized income for the period is the result of the change in cumulative unrealized income during the corresponding period. The realized income due to the change in own credit risk is essentially calculated in the same way and is the result of the difference between the risk premium at the time of redemption of the product and the adjusted risk premium at the time of issue.

Under IFRS 9, the impact of the change in own credit risk of financial liabilities for which the fair value option is applied is generally recognized in other comprehensive income. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, the corresponding impact should be recorded in profit or loss. At Vontobel, the fair value option is applied exclusively to issued products (structured products and debt instruments). Issued products are reported in the balance sheet item "Other financial liabilities at fair value". The risks from the interest component of the structured products and debt instruments are hedged with a portfolio of bonds, interest rate swaps and credit default swaps. The risks from the option component of the structured products are hedged with a portfolio of derivatives and the corresponding underlyings. The issued products and the corresponding hedging transactions are managed at portfolio level to achieve the highest possible hedge and consequently the lowest possible fluctuations in value at portfolio level. Market risks in the form of general interest rate risks, currency risks and option risks are subject to low sensitivity and volume limits, resulting in low Value at Risk and stress exposure figures. In terms of fluctuations in value due to changes in credit risk premiums, there is a close economic relationship between the assets and liabilities sides in two respects. On the one hand, the Vontobel credit risk premiums included in the issued products (liabilities side) and the issuer's credit risk premiums contained in the hedging positions (assets side) are subject to general market movements (increase or decrease in credit risk premiums). On the other hand, in view of the significant importance of the issuing business for Vontobel, the credit risk premiums on hedging positions observable in the market have an impact on Vontobel's credit risk premium. As of December 31, 2022, the balance sheet item "Other financial liabilities at fair value" corresponded to 33 percent of total assets and 502 percent of shareholders' equity. To assess whether the impact of the change in own credit risk ("impact on the liabilities side") should be recognized in profit or loss or in other comprehensive income, Vontobel has, for a longer period of time, compared the income from changes in credit risk premiums on the assets side ("impact on the assets side") with the income from changes in credit risk premiums from the entire issuing business ("net impact" as the total from the impact on the assets side and the impact on the liabilities side). The (absolute) net impact over this period – particularly in times of increased volatility of the credit risk premiums – is significantly lower than the (absolute) impact on the assets side. This means that the impact on the liabilities side has a compensating effect on the impact on the assets side. In addition, the net impact is significantly less volatile than the impact on the assets side. If the impact of a change in own credit risk was recognized in other comprehensive income, net profit over this period would also have been much more volatile. The recognition of the impact of the change in own credit risk in other comprehensive income would therefore create or enlarge an accounting mismatch in profit or loss. For these reasons, Vontobel has concluded that it is appropriate to recognize the impact of the change in own credit risk in profit or loss. As a result, income from issued products is recognized fully in profit or loss and is thus treated in the same way as the corresponding hedging positions.

4 Other income

	NOTE	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Real estate income[1]		1.2	1.6	–0.4	–25
Income from the sale of property and equipment		–0.0	0.1	–0.1	–100
Income from the sale of debt instruments in financial investments		–0.5	1.0	–1.5	–150
Income from investments in associates	15	–0.5	1.0	–1.4	–140
Other income		11.3	2.8	8.5	304
Other expense		–0.0	–0.2	0.2	100
Total		**11.5**	**6.2**	**5.3**	**85**

1 Income from the subleasing of business premises

5 Personnel expense

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Salaries and bonuses[1]	528.4	602.1	–73.8	–12
Pension and other employee benefit plans[2]	57.8	36.6	21.2	58
Other social contributions	42.7	48.2	–5.5	–11
Other personnel expense[3]	27.0	47.8	–20.8	–44
Total	**655.9**	**734.7**	**–78.9**	**–11**

1 The item “Salaries and bonuses” includes the expense for share-based compensation of CHF 47.7 M, of which CHF 38.5 M relates to performance shares, CHF 4.7 M to the awarding of bonus shares at preferential terms and deferred compensation in shares of CHF 4.5 M (previous year: performance shares CHF 36.3 M, bonus shares CHF 7.9 M, deferred compensation in shares of CHF 0.6 M; total CHF 44.9 M) as well as deferred compensation in cash of CHF 5.8 M (previous year: CHF 5.6 M).
2 2021: The item “Pension and other employee benefit plans” includes the impacts of changes in pension fund regulations in Switzerland in the amount of CHF 15.5 M (income due to the reduction of conversion rates).
3 2021: The item “Other personnel expense” includes an expense of CHF 24.6 M related to the full acquisition of TwentyFour Asset Management LLP.

6 General expense

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Occupancy expense	11.7	11.1	0.6	5
IT, telecommunications and other equipment	119.4	95.0	24.5	26
Travel and representation, public relations, marketing	33.6	29.1	4.5	15
Consulting and audit fees	42.4	46.9	–4.5	–10
Other general expense	41.0	43.3	–2.3	–5
Total	**248.2**	**225.4**	**22.8**	**10**

7 Depreciation of property, equipment (incl. software) and intangible assets

	NOTE	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Depreciation of property and equipment (incl. software)	16	91.4	86.8	4.6	5
Amortization of other intangible assets	18	11.8	11.1	0.7	6
Impairments of property and equipment (incl. software)	16	0.0	2.8	–2.7	–96
Reversal of impairments of property and equipment (incl. software)	16	0.0	–0.3	0.3	100
Total		**103.3**	**100.4**	**2.9**	**3**

8 Provisions and losses

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Increase in provisions	6.7	3.0	3.7	123
Release of provisions	–4.3	–0.4	–4.0	
Other	8.0	5.3	2.8	53
Total	**10.4**	**7.9**	**2.5**	**32**

9 Taxes

Tax expense

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Statement of tax expense				
Explanation of the relationship between tax expense and net profit before taxes:				
Current income taxes	51.2	86.2	–35.0	–41
Deferred income taxes	–13.7	–2.8	–10.8	–386
Total	**37.5**	**83.4**	**–45.9**	**–55**
Profit before taxes	267.4	467.2	–199.8	–43
Expected income tax rate of 20%[1] (previous year: 20%)	53.5	93.4	–40.0	–43
Explanations for higher (lower) tax expense:				
Applicable tax rates differing from expected rate	–5.0	–5.2	0.2	4
Tax losses not taken into account	3.5	2.0	1.5	75
Appropriation of non-capitalized deferred taxes on loss carryforwards	0.0	–0.0	0.0	
Newly recognized deferred tax assets	–0.8	–4.1	3.3	80
Value adjustments on deferred tax positions	–0.6	–0.1	–0.5	–500
Deferred income tax as a result of a change in tax rates	–0.0	0.2	–0.3	–150
Other income with no impact on taxes	–0.1	1.1	–1.2	–109
Income tax unrelated to accounting period	–2.8	0.9	–3.6	–400
Participation relief granted on dividend income	–6.5	–6.2	–0.3	–5
Other impacts	–3.7	1.3	–5.0	–385
Total	**37.5**	**83.4**	**–45.9**	**–55**
Effective tax rate in %	14.0	17.9		

1 The anticipated income tax rate of 20% corresponds to the average tax rate in Switzerland.

Deferred taxes

	NOTE	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Value adjustments on credit risks		0.1	0.1	0.0	0
Lease liabilities		34.7	33.9	0.8	2
Tax loss carryforwards		5.5	5.5	–0.0	0
Unrealized losses on financial investments		0.5	0.0	0.5	
Other		9.3	10.6	–1.3	–12
Total deferred tax assets before offsetting		**50.0**	**50.1**	**–0.1**	**–0**
Offsetting		–35.0	–34.2	–0.8	–2
Total deferred tax assets	19	**14.9**	**15.8**	**–0.9**	**–6**
Equipment and software		35.7	35.2	0.5	1
Intangible assets		18.4	9.3	9.1	98
Investments in associates		0.7	0.7	0.0	0
Other provisions		19.3	25.9	–6.6	–25
Unrealized gains on financial investments		20.3	24.3	–3.9	–16
Other		2.5	14.5	–12.0	–83
Total deferred tax liabilities before offsetting		**96.9**	**109.8**	**–12.9**	**–12**
Offsetting		–35.0	–34.2	–0.8	–2
Total deferred tax liabilities	25	**61.8**	**75.6**	**–13.7**	**–18**

Changes in deferred taxes (net)

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	IN %
Balance at the beginning of the year	59.8	49.1	10.7	22
Changes recognized in the income statement	–12.0	–6.8	–5.2	–76
Changes recognized in other comprehensive income	–10.5	17.3	–27.9	–161
Changes from business combinations	9.5		9.5	
Translation adjustments	0.3	0.2	0.1	50
Total as at the balance sheet date	**47.0**	**59.8**	**–12.8**	**–21**

Expiry of unrecognized tax loss carryforwards

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Within 1 year				
From 1 to 5 years	3.4	3.4		
From 5 to 10 years				
After 10 years				
No expiry	40.2	30.8	9.4	31
Total	**43.6**	**34.1**	**9.4**	**28**

In the case of deferred taxes, the level of recognized tax assets depends on assumptions regarding available future taxable profits that are eligible for offsetting. The determination of deferred tax assets is essentially based on budget figures and mid-term planning. If a company has posted a series of financial losses in the recent past, the deferred tax assets are only recognized to the extent that the company has sufficient taxable temporary differences or has other convincing evidence that sufficient taxable profits will be available in future periods. Recognized deferred tax assets for loss carryforwards eligible for offsetting amounted to CHF 5.5 M in the current year and CHF 5.5 M in the previous year. Unrecognized loss carryforwards in the amount of CHF 43.6 M (previous year: CHF 34.1 M) are subject to tax rates of 16% to 34% (previous year: 16% to 34%). If recognized in full, the deferred tax assets for loss carryforwards eligible for offsetting would total CHF 13.8 M (previous year: CHF 11.7 M).

Current income taxes are calculated on the basis of the applicable tax laws in individual countries and recognized as an expense in the period in which the related profits are made. Assets or liabilities from current income taxes are shown in the balance sheet items “Other assets” or “Other liabilities”, respectively.

Deferred tax assets or deferred tax liabilities correspond to the tax effects arising from temporary differences between the carrying amounts of assets and liabilities in Vontobel’s balance sheet and their corresponding tax values. Deferred tax assets and deferred tax liabilities are offset if they refer to income taxes levied by the same tax authority. Deferred tax assets and deferred tax liabilities (after offsetting) are shown in the balance sheet items “Other assets” or “Other liabilities”, respectively. Deferred tax assets arising from temporary differences and from loss carryforwards eligible for offsetting are capitalized if it is likely that sufficient taxable profits will be available against which those temporary differences or loss carry-forwards can be offset. Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to apply in the period in which the tax assets will be realized, or the tax liabilities settled.

Current and deferred taxes are credited or charged to other comprehensive income or shareholders’ equity if the taxes refer to items that are credited or charged to other comprehensive income or to shareholders’ equity in the same or a different period. Please refer to note 10 for information on tax effects of other comprehensive income.

If there is uncertainty over a tax treatment, Vontobel assesses the probability that the tax authority will accept the treatment applied by Vontobel. It is assumed that the tax authority will examine any amounts reported to it and will have full knowledge of all relevant information when doing so. If the entity concludes that it is not probable that a particular tax treatment will be accepted by the tax authority, the entity has to use the most likely amount or the expected value to take account of the uncertainty over the tax treatment.

OECD global minimum tax rate

To address concerns about the uneven distribution of profits and tax contributions of large multinational corporations, the Organization for Economic Co-operation and Development (OECD)/G20 have reached a political agreement on the introduction of a global minimum tax rate of 15%, which applies to multinational groups with a consolidated revenue of at least EUR 750 million. In December 2021, the OECD published Model Rules, followed by Commentary in March 2022, that is expected to be used by the individual jurisdictions that signed the agreement to amend their local tax laws.

At the date when the financial statements were authorized for issue, no jurisdiction in which Vontobel is operating has enacted or substantially enacted the respective changes to the tax legislation. Once changes to the tax laws have been enacted, currently expected to be 1 January 2024 or later, Vontobel will be in scope of the global minimum tax. Management is in progress of analyzing the draft rules and its impact to the Group and closely monitors the progress of the legislative process in each jurisdiction in which Vontobel operates. At 31 December 2022, Vontobel did not have sufficient information to reasonably determine or estimate the potential quantitative impact.

10 Tax effects of other comprehensive income

CHF M	AMOUNT BEFORE TAX (2022)	TAX YIELD / TAX EXPENSE (2022)	AMOUNT NET OF TAX (2022)
Currency translation adjustments during the reporting period	13.8		13.8
Currency translation adjustments transferred to the income statement			
Income from debt instruments in financial investments during the reporting period	–88.0	16.1	–71.9
Income from debt instruments in financial investments transferred to the income statement	–1.0	0.2	–0.8
Income from cash flow hedges during the reporting period			
Income from cash flow hedges transferred to the income statement			
Income from equity instruments in financial investments	–8.1	1.5	–6.6
Income from defined benefit pension plans	–39.4	8.1	–31.3
Total	**–122.8**	**25.9**	**–96.9**

CHF M	AMOUNT BEFORE TAX (2021)	TAX YIELD / TAX EXPENSE (2021)	AMOUNT NET OF TAX (2021)
Currency translation adjustments during the reporting period	8.2		8.2
Currency translation adjustments transferred to the income statement			
Income from debt instruments in financial investments during the reporting period	–16.8	3.0	–13.7
Income from debt instruments in financial investments transferred to the income statement	–6.8	1.1	–5.7
Income from cash flow hedges during the reporting period	–0.1	0.0	–0.0
Income from cash flow hedges transferred to the income statement			
Income from equity instruments in financial investments	10.2	–1.9	8.3
Income from defined benefit pension plans	98.0	–19.5	78.5
Total	**92.8**	**–17.3**	**75.5**

11 Earnings per share

	2022	2021	CHANGE TO 2021	CHANGE TO 2021 IN %
Net profit (CHF M)[1]	229.8	373.8	–143.9	–38
Weighted average number of shares issued	56,875,000	56,875,000		
Less weighted average number of treasury shares	1,270,178	1,002,257	267,920	27
Weighted average number of shares outstanding (undiluted)	55,604,823	55,872,743	–267,920	–0
Dilution effect number of shares of employee share-based benefit programs	1,680,894	1,617,716	63,178	4
Dilution effect number of shares of options[2]				
Weighted average number of shares outstanding (diluted)	57,285,717	57,490,459	–204,742	–0
Basic earnings per share (CHF)	4.13	6.69	–2.56	–38
Diluted earnings per share (CHF)	4.01	6.50	–2.49	–38

1 Net profit attributable to the shareholders of Vontobel Holding AG constitutes the basis for the calculation of undiluted as well as diluted earnings per share.
2 Relates to the dilution effect from shares that will have to be issued if outstanding in-the-money options are exercised. Shares that will have to be issued if outstanding out-of-the-money options are exercised do not have any dilution effect in the financial year but could dilute future earnings per share. The potential dilution effect is insignificant.

Notes to the consolidated balance sheet

12 Loans

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Mortgages	1,747.0	1,636.4	110.6	7
Lombard loans and other accounts receivable	5,750.7	5,492.2	258.4	5
Less expected credit losses	–35.4	–26.1	–9.3	–36
Total	**7,462.3**	**7,102.5**	**359.7**	**5**

Interest of CHF 6.3 M (previous year: CHF 6.6 M) on non-performing loans that had not yet been received was capitalized.

13 Financial instruments at fair value through profit or loss

Trading portfolio assets

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Debt instruments				
Listed	644.2	176.7	467.5	265
Unlisted	291.8	18.6	273.2	
Total	**936.0**	**195.3**	**740.7**	**379**
Equity instruments				
Listed	2,444.7	3,789.9	–1,345.1	–35
Unlisted	0.5	0.3	0.2	67
Total	**2,445.3**	**3,790.2**	**–1,344.9**	**–35**
Units in investment funds				
Listed	300.0	403.3	–103.3	–26
Unlisted	0.0	0.0	0.0	
Total	**300.0**	**403.3**	**–103.3**	**–26**
Precious metals	**791.3**	**1,655.1**	**–863.8**	**–52**
Cryptocurrencies	**179.0**	**569.0**	**–389.9**	**–69**
Total	**4,651.7**	**6,612.8**	**–1,961.1**	**–30**

Trading portfolio liabilities

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Debt instruments				
Listed	85.8	81.4	4.4	5
Unlisted				
Total	**85.8**	**81.4**	**4.4**	**5**
Equity instruments				
Listed	81.8	207.3	–125.5	–61
Unlisted				
Total	**81.8**	**207.3**	**–125.5**	**–61**
Units in investment funds				
Listed	2.8		2.8	
Unlisted				
Total	**2.8**		**2.8**	
Total	**170.4**	**288.6**	**–118.2**	**–41**

Open derivative instruments

			31.12.2022			31.12.2021
CHF M	POSITIVE REPLACEMENT VALUES	NEGATIVE REPLACEMENT VALUES	CONTRACT VOLUME	POSITIVE REPLACEMENT VALUES	NEGATIVE REPLACEMENT VALUES	CONTRACT VOLUME
Debt instruments						
Forward contracts incl. FRAs						
Swaps	97.5	20.9	6,006.4	7.0	10.2	6,107.3
Futures			8.9			7.4
Options (OTC) and warrants		2.8	0.1	0.0	9.9	0.4
Options (exchange traded)	0.0	0.3	16.1	0.1	0.1	16.7
Total	**97.5**	**24.0**	**6,031.6**	**7.1**	**20.2**	**6,131.8**
Foreign currency						
Forward contracts	81.8	63.0	5,320.1	29.7	30.2	2,378.9
Swaps	135.0	161.9	12,502.5	57.2	89.7	9,898.0
Futures			9.3			2.6
Options (OTC) and warrants	16.3	19.2	1,130.0	8.5	11.6	732.6
Options (exchange traded)	0.0	0.0	8.8		0.0	0.3
Total	**233.2**	**244.1**	**18,970.7**	**95.4**	**131.4**	**13,012.4**
Precious metals						
Forward contracts	0.5	0.8	28.0	1.7	0.8	108.5
Swaps	17.7	18.3	362.0	2.1	2.6	237.5
Futures			14.5		0.0	29.6
Options (OTC) and warrants	3.2	33.4	238.4	12.7	55.1	686.0
Options (exchange traded)		0.0	0.0			
Total	**21.4**	**52.5**	**642.9**	**16.6**	**58.5**	**1,061.5**
Equities / indices						
Forward contracts						
Swaps	2.2	46.7	254.0	8.9	39.1	333.6
Futures			296.0	0.1		324.5
Options (OTC) and warrants	5.8	221.7	3,624.1	10.9	460.2	3,295.7
Options (exchange traded)	75.4	583.3	9,511.5	280.4	727.1	17,918.7
Total	**83.4**	**851.7**	**13,685.6**	**300.3**	**1,226.3**	**21,872.5**
Credit derivatives						
Credit default swaps	3.1	2.9	277.9	5.7	1.1	250.6
Total	**3.1**	**2.9**	**277.9**	**5.7**	**1.1**	**250.6**
Other (including cryptocurrencies)						
Forward contracts						
Futures			67.3		0.2	184.7
Options (OTC) and warrants	0.0	9.5	38.0	0.2	67.2	18.1
Options (exchange traded)	0.8	6.3	94.3	1.1		82.6
Total	**0.9**	**15.8**	**199.5**	**1.3**	**67.4**	**285.4**
Total	**439.4**	**1,191.0**	**39,808.3**	**426.4**	**1,505.0**	**42,614.2**

The positive and negative replacement values relate to trading instruments with the exception of the instruments referred to in note 33 “Hedge accounting”.

Other financial assets at fair value through profit or loss

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	CHANGE TO 31.12.2021 IN %
Debt instruments				
Listed	5,337.2	3,385.6	1,951.6	58
Unlisted	2,838.1	881.8	1,956.3	222
Total	**8,175.3**	**4,267.4**	**3,907.9**	**92**
Equity instruments				
Listed	0.0	0.0	–0.0	
Unlisted	0.2	1.8	–1.5	–83
Total	**0.2**	**1.8**	**–1.5**	**–83**
Units in investment funds				
Listed		0.0	–0.0	
Unlisted	46.3	59.6	–13.3	–22
Total	**46.3**	**59.6**	**–13.3**	**–22**
Structured products	**75.4**	**86.9**	**–11.5**	**–13**
Total	**8,297.2**	**4,415.6**	**3,881.6**	**88**

Other financial liabilities at fair value through profit or loss

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	CHANGE TO 31.12.2021 IN %
Structured products				
Listed	2,114.8	5,311.2	–3,196.4	–60
Unlisted	6,696.7	5,800.8	895.9	15
Total	**8,811.6**	**11,112.0**	**–2,300.4**	**–21**
Debt instruments				
Listed				
Unlisted	1,312.7	90.1	1,222.6	
Total	**1,312.7**	**90.1**	**1,222.6**	
Total	**10,124.2**	**11,202.1**	**–1,077.9**	**–10**

For structured products, the difference between the redemption amount and the carrying amount cannot be determined since the redemption amount depends on changes in the market prices of the underlyings (e.g. shares, precious metals and currencies) up to the repayment date. In the case of debt instruments, the difference between the redemption amount and the carrying amount is insignificant.

14 Financial investments

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Debt instruments[1]				
Listed	1,548.6	1,485.9	62.7	4
Unlisted	56.3		56.3	
Total	**1,605.0**	**1,485.9**	**119.1**	**8**
Equity instruments[2]				
Listed	0.3		0.3	
Unlisted	122.1	130.5	–8.4	–6
Total	**122.3**	**130.5**	**–8.1**	**–6**
Total financial investments	**1,727.3**	**1,616.4**	**110.9**	**7**

1 For information on expected credit losses on debt instruments, please refer to note 30 “Credit risks and expected credit losses”.
2 Participation in SIX Group AG: CHF 102.3 M (previous year: CHF 110.4 M); other participations: CHF 20.0 M (previous year: CHF 20.1 M).

15 Investments in associates

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	IN %
Balance at the beginning of the year	5.3	5.6	–0.3	–5
Increases				
Decreases	0.4	0.7	–0.3	–43
Share of profit	0.7	0.3	0.4	133
Share of other comprehensive income				
Impairments	–1.6		–1.6	
Dividends paid	–1.2	–1.2	0.1	8
Translation differences	0.0	–0.0	0.1	
Total as at the balance sheet date	**3.7**	**5.3**	**–1.6**	**–30**

Refer to page 220 for details of associates.

16 Property, equipment and software

CHF M	RIGHT-OF-USE ASSETS	LEASEHOLD IMPROVEMENTS	HARDWARE	OTHER FIXED ASSETS	SOFTWARE[1]	TOTAL
Acquisition cost						
Balance as of 01.01.2021	219.8	87.9	30.9	8.7	188.1	535.5
Additions	55.5	2.8	5.2	0.6	53.4	117.5
Disposals	–3.4	–4.0	–9.8	–2.2	–25.4	–44.8
Change in scope of consolidation						
Reclassification						
Translation differences	–0.2	0.1	0.2	–0.1	–0.1	–0.1
Balance as of 31.12.2021	271.9	86.8	26.5	6.9	215.9	608.1
Additions	32.9	6.4	5.1	0.5	54.0	98.9
Disposals	–1.3	–5.6	–4.5	–0.8	–38.8	–51.0
Change in scope of consolidation				0.2		0.2
Reclassification						
Translation differences	–1.2	–0.2	0.1	–0.1	–0.1	–1.6
Balance as of 31.12.2022	**302.2**	**87.4**	**27.2**	**6.8**	**231.0**	**654.7**
Cumulative depreciation						
Balance as of 01.01.2021	–60.8	–44.8	–18.3	–5.2	–56.1	–185.0
Depreciation	–30.6	–10.6	–6.4	–0.6	–38.6	–86.8
Impairment losses	–0.3	–0.3		–0.0	–2.2	–2.8
Reversals	0.3					0.3
Disposals	2.7	4.0	9.8	1.7	25.4	43.6
Change in scope of consolidation						
Reclassification						
Translation differences	0.1	–0.1	–0.2	0.0	0.1	–0.1
Balance as of 31.12.2021	–88.6	–51.8	–15.1	–4.0	–71.3	–230.8
Depreciation	–31.5	–10.2	–6.6	–0.4	–42.8	–91.4
Impairment losses					–0.0	–0.0
Reversals						
Disposals	1.3	5.6	4.5	0.7	38.8	50.9
Change in scope of consolidation				–0.1		–0.1
Reclassification						
Translation differences	0.6	0.1	–0.1	0.0	0.1	0.7
Balance as of 31.12.2022	**–118.3**	**–56.4**	**–17.3**	**–3.7**	**–75.2**	**–270.7**
Net carrying values 31.12.2021	183.2	35.0	11.4	2.9	144.8	377.3
Net carrying values 31.12.2022	**184.0**	**31.1**	**9.9**	**3.0**	**156.0**	**383.9**

1 In the year under review and in the previous year, this relates exclusively to purchased software.

Property, equipment and software include right-of-use assets (see note 17 "Leasing"), leasehold improvements, hardware, other fixed assets (e.g. furniture) and software. The acquisition or production costs of property, equipment and software are capitalized if Vontobel will obtain future economic benefits from them and the costs can be both identified and reliably determined. From the date on which they become available, these assets are depreciated on a straight-line basis over their estimated useful life or rental lease term, as follows:

IN YEARS	
Right-of-use assets	Lease term
Leasehold improvements	Lease term, max. 10
Hardware	3
Other fixed assets	3–5
Software	max. 10

Property, equipment and software are tested for impairment if events or circumstances indicate that the carrying amount may be impaired. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded. Any reversals of impairments at a later date are recognized in the income statement.

17 Leasing

Vontobel as a lessee

Vontobel mainly acts as a lessee in the context of the leasing of business premises (including parking spaces). At the lease commencement date, a lease liability corresponding to the present value of lease payments over the lease term is recognized. The lease payments are usually index linked and, under certain conditions, are adjusted to the respective index level automatically, or periodically at the initiative of a contracting party. Apart from this indexation, there are no variable lease payments. Vontobel has concluded several lease agreements with options to extend the lease and/or terminate the lease. These options or rights were negotiated by Vontobel to ensure flexibility when managing the portfolio of leased assets and to meet its business needs. The lease term basically corresponds to the non-cancellable period during which Vontobel has the right to use the business premises but it also takes account of the period covered by an option to extend the lease if Vontobel is reasonably certain to exercise that option, and the period covered by an option to terminate the lease if Vontobel is reasonably certain not to exercise that option. Vontobel's incremental borrowing rate is applied when calculating the present value of lease payments. It corresponds to the interest rate that Vontobel would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset. At the same time as the lease liability is recognized, a right to use the underlying asset, which corresponds to the lease liability plus prepaid lease payments, directly attributable costs and any reinstatement obligations, is capitalised.

After initial recognition, the interest component on the lease liability is accrued in the period in which it is incurred using the effective interest method and is recognized in "Net interest and dividend income". Negative interest is shown as interest income. The lease liability is adjusted to reflect interest recognized and lease payments made. The right-of-use asset is depreciated on a straight-line basis over the lease term. The depreciation charge and any impairment charge are recognized in the income statement in "Depreciation of property, equipment (incl. software) and intangible assets".

If there is any change to the lease term or if lease payments are adjusted to an index, the lease liability is remeasured. In the first case, the current incremental borrowing rate is used to calculate the present value; in the second case, the original incremental borrowing rate is used. The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Right-of-use assets (leased office space) are recognized in the balance sheet item "Property, equipment and software". The carrying amount of the right-of-use assets and changes in that value are shown in note 16.

Lease liabilities related to leased office space are recognized in the balance sheet item "Other liabilities". The carrying amount of the lease liabilities and changes in that value can be seen from the following table:

Lease liabilities

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Balance at the beginning of the year	179.9	157.6	22.3	14
Additions	32.6	55.3	–22.7	–41
Disposals	0.0	–0.7	0.7	100
Interest expense (+) / interest income (–)	–0.4	–0.4	0.0	0
Lease payments	–30.6	–32.1	1.4	4
Translation adjustments	–0.6	0.1	–0.7	
Total as at the balance sheet date	**181.0**	**179.9**	**1.1**	**1**

The lease payments included in the above lease liabilities have the following terms:

Due dates of lease payments

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Due within 1 year	31.9	28.9	3.0	10
Due within 1 to 2 years	27.9	28.0	-0.1	-0
Due within 2 to 3 years	25.6	23.5	2.1	9
Due within 3 to 4 years	24.8	21.7	3.1	14
Due within 4 to 5 years	17.0	20.9	-3.8	-18
Due within 5 to 7 years	26.7	25.7	1.0	4
Due in more than 7 years	26.0	28.6	-2.6	-9
Total as at the balance sheet date	**179.8**	**177.3**	**2.6**	**1**

Vontobel applies the recognition exemption for short-term leases and leases of low-value assets. Neither a lease liability nor a right-of-use asset is recognized for these leases. In the year under review, general expense included a charge of CHF 1.8 million (previous year: CHF 1.6 million) for short-term leases and of CHF 0.4 million (previous year: CHF 0.4 million) for leases of low-value assets.

Vontobel as a lessor

Vontobel currently acts as a lessor exclusively in the context of operating leases. The corresponding income is recognized in the income statement positions "Net fee and commission income" (leasing of safety deposit boxes) and "Other income" (subleasing of office space and parking spaces) in the period in which it is generated. Vontobel, as lessor, generated income of CHF 1.5 million in the year under review (previous year: CHF 1.9 million).

18 Goodwill and other intangible assets

Goodwill and other intangible assets

CHF M	GOODWILL	CLIENT RELATIONSSHIPS	COOPERATION AGREEMENTS	TOTAL
Acquisition cost				
Balance as of 01.01.2021	483.5	78.9	28.9	591.2
Additions				
Disposals		–4.5		–4.5
Change in scope of consolidation				
Reclassification				
Translation differences	1.3			1.3
Balance as of 31.12.2021	484.8	74.3	28.9	588.0
Additions				
Disposals		–0.5	–0.4	–0.9
Change in scope of consolidation	50.0	37.3	13.4	100.7
Reclassification				
Translation differences	–6.3			–6.3
Balance as of 31.12.2022	**528.5**	**111.1**	**41.9**	**681.5**
Cumulative depreciation				
Balance as of 01.01.2021		–24.1	–10.3	–34.4
Amortization		–8.2	–2.9	–11.1
Impairment losses				
Reversals				
Disposals		4.5		4.5
Change in scope of consolidation				
Reclassification				
Translation differences				
Balance as of 31.12.2021		–27.8	–13.2	–41.0
Amortization		–8.9	–2.9	–11.8
Impairment losses				
Reversals				
Disposals		0.5	0.4	0.9
Change in scope of consolidation				
Reclassification				
Translation differences				
Balance as of 31.12.2022		**–36.2**	**–15.7**	**–51.9**
Net carrying values 31.12.2021	484.8	46.5	15.7	547.0
Net carrying values 31.12.2022	**528.5**	**74.9**	**26.2**	**629.6**

Goodwill

The goodwill resulting from a business combination is recognized as an asset in the balance sheet and assigned to one or more cash-generating units. The following organizational units represent the lowest level at which the goodwill allocated to them is monitored for internal management purposes:

Goodwill positions of each organizational unit

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Client Unit Wealth Management	308.0	308.0		
Southern & Western Switzerland, Italy and Middle East business unit	21.8	21.8		
USA & Canada business unit	50.0		50.0	
Client Unit Asset Management	62.4	63.0	–0.6	–1
Fixed Income business unit	51.3	56.9	–5.6	–10
Vescore business unit[1]	35.0	35.0		
Total	**528.5**	**484.8**	**43.7**	**9**

1 Former Multi Asset business unit

The goodwill positions are subject to an annual impairment test, which is conducted in the third quarter of each year. If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently to determine whether the carrying amount of the relevant organizational unit exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the carrying amount of the organizational unit exceeds the recoverable amount, a goodwill impairment is recorded. Reversals of impairments are not recorded.

When conducting an impairment test, Vontobel begins by comparing the carrying amount of the organizational unit with its fair value less costs to sell. Assets under management are a key factor that is considered in the case of all the organizational units that are assessed because it has a significant impact on their future earnings potential. The implicit multiplier for assets under management is calculated on the basis of the market capitalization of companies engaging in similar business activities, less tangible shareholders' equity. Tangible equity corresponds to reported shareholders' equity less intangible assets (mainly goodwill and client relationships), including deferred taxes. The implicit multiplier for assets under management is adjusted to take account of the difference between the gross margins of the organizational unit under review and the peer group as well as other factors that are relevant for the impairment test. If the carrying amount of the organizational unit exceeds the fair value calculated using the adjusted multiplier less costs to sell, the carrying amount is subsequently compared with the value in use of the organizational unit.

Multipliers of each organizational unit

IN %	2022	2021
Client Unit Wealth Management	1.6	2.2
Southern & Western Switzerland, Italy and Middle East business unit	1.8	2.8
USA & Canada business unit	1.5	
Client Unit Asset Management	1.0	1.2
Fixed Income business unit	1.0	1.0
Vescore business unit[1]	0.6	0.6

1 Former Multi Asset business unit

The fair value calculated using these multipliers less coststo sell exceeded the carrying amount of all organizational units both in the year under review and in the previous year. Management determined that no reasonably possible change in the assumptions would have resulted in the carrying amount of an organizational unit significantly exceeding its recoverable amount. Fair value less costs to sell is a level 3 position in the fair value hierarchy defined in IFRS 13.

Other intangible assets

Other intangible assets comprise client relationships acquired in the course of business combinations, a cooperation agreement with Raiffeisen and a referral agreement with UBS. They are depreciated on a straight-line basis over their useful life of ten years. The other intangible assets are tested for impairment if events or circumstances indicate that the carrying amount may be impaired.

If the carrying amount exceeds the recoverable amount, an impairment loss is recorded. Any reversals of impairments at a later date are recognized in the income statement. No other intangible assets with an indefinite useful life are capitalized in Vontobel's balance sheet.

19 Other assets

	NOTE	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	CHANGE TO 31.12.2021 IN %
Accrued income and prepaid expenses		170.8	173.6	–2.8	–2
Current tax assets		46.0	15.5	30.5	197
Deferred tax assets	9	14.9	15.8	–0.9	–6
Value-added tax and other tax receivables		20.4	100.9	–80.4	–80
Defined benefit pension asset	36	8.8	60.2	–51.4	–85
Settlement and clearing accounts		40.9	3.3	37.6	
Open settlement positions		219.1	285.1	–66.1	–23
Other		40.0	40.5	–0.5	–1
Total		**560.9**	**695.0**	**–134.0**	**–19**

20 Securities financing transactions

	31.12.2022 CASH COLLATERAL FOR		31.12.2021 CASH COLLATERAL FOR	
CHF M	SECURITIES BORROWING AGREEMENTS	REVERSE-REPURCHASE AGREEMENTS	SECURITIES BORROWING AGREEMENTS	REVERSE-REPURCHASE AGREEMENTS
Securities financing transactions due from banks		875.5	18.8	1,001.1
Securities financing transactions due from customers		18.5		827.8
Total receivables from securities financing transactions		**894.0**	**18.8**	**1,828.9**

	31.12.2022 CASH COLLATERAL FROM		31.12.2021 CASH COLLATERAL FROM	
CHF M	SECURITIES LENDING AGREEMENTS	REPURCHASE AGREEMENTS	SECURITIES LENDING AGREEMENTS	REPURCHASE AGREEMENTS
Securities financing transactions due to banks		92.5	2.4	10.4
Securities financing transactions due to customers				
Total payables from securities financing transactions		**92.5**	**2.4**	**10.4**

21 Transferred and pledged assets

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Securities financing transactions[1]	329.7	325.8	3.8	1
Trading portfolio assets	*177.0*	*287.1*	*–110.1*	*–38*
Other financial assets at fair value	*61.6*	*38.0*	*23.6*	*62*
Financial investments	*91.1*	*0.7*	*90.4*	
Other transactions	735.2	239.2	496.0	207
Total transferred assets	**1,064.9**	**565.0**	**499.9**	**88**
Trading portfolio assets	668.2	496.1	172.1	35
Debt instruments	*289.9*	*15.3*	*274.6*	
Equity instruments	*378.3*	*480.8*	*–102.5*	*–21*
Other	*0.0*		*0.0*	
Other financial assets at fair value	280.7	38.0	242.7	639
Debt instruments	*272.0*	*22.0*	*250.0*	
Equity instruments	*8.6*	*14.8*	*–6.2*	*–42*
Other	*0.1*	*1.2*	*–1.1*	*–92*
Financial investments	116.0	30.9	85.1	275
Other assets				
Total transferred assets	**1,064.9**	**565.0**	**499.9**	**88**
of which those where the right to sell or repledge the assets has been assigned without restriction	*1,064.9*	*565.0*	*499.9*	*88*
Pledged assets	635.4	1,205.7	–570.3	–47
Total pledged assets	**635.4**	**1,205.7**	**–570.3**	**–47**

Transferred or pledged assets mainly serve the contracting partners as collateral against Vontobel liabilities arising from securities borrowing, securities lending and repurchase transactions, or as collateral for settlement limits and margin accounts with central banks, clearing centers and stock exchanges, as well as for OTC contracts, collateral secured instruments (COSI) and due to customers. These assets remain on Vontobel's balance sheet because Vontobel retains the associated risks and rewards.

1 Including securities transferred as collateral in the context of securities borrowing transactions

22 Saleable or pledgeable securities not recorded in the balance sheet

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Securities financing transactions[1]	1,156.9	2,227.0	–1,070.1	–48
Other transactions	53.0	60.6	–7.7	–13
Total fair value of securities received that can be sold or repledged	**1,209.8**	**2,287.6**	**–1,077.8**	**–47**
of which securities sold or repledged	198.7	741.5	–542.8	–73

The table shows the fair value of securities received, where the counterparty has assigned Vontobel the unrestricted right to sell or repledge them, and the fair value of those securities for which Vontobel has made use of this right.

1 Including securities received as collateral in the context of securities lending transactions

23 Debt issued

	INTEREST RATE IN %	NOMINAL VALUE CHF M	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Vontobel Holding AG						
Additional Tier 1 (AT1) Bond	2.625	450.0	449.6	449.1	0.5	0
Total			**449.6**	**449.1**	**0.5**	**0**
Bank Vontobel AG						
Vontobel Private Placement (Term Note) 24.10.2022 – 24.04.2023	1.000	75.0	75.0		75.0	
Vontobel Private Placement (Term Note) 24.10.2022 – 24.05.2023	1.100	100.0	100.0		100.0	
Vontobel Private Placement (Term Note) 02.12.2022 – 02.06.2023	1.140	100.0	100.0		100.0	
Vontobel Private Placement (Term Note) 22.12.2022 – 22.09.2023	1.530	75.0	75.0		75.0	
Vontobel Private Placement (Term Note) 23.12.2022 – 23.05.2023	1.400	20.0	20.0		20.0	
Vontobel Private Placement (Term Note) 23.12.2022 – 23.06.2023	1.420	40.0	40.0		40.0	
Vontobel Private Placement (Term Note) 23.12.2022 – 25.09.2023	1.544	10.0	10.0		10.0	
Vontobel Private Placement (Term Note) 29.12.2022 – 29.03.2023	1.180	23.6	23.6		23.6	
Vontobel Private Placement (Term Note) 29.12.2022 – 29.03.2023	1.220	150.0	150.0		150.0	
Total			**593.6**		**593.6**	
Total			**1,043.2**	**449.1**	**594.1**	**132**

In connection with the acquisition of Notenstein La Roche Privatbank AG, Vontobel Holding AG issued an Additional Tier 1 bond (AT1 bond) with a nominal value of CHF 450 million in June 2018. The AT1 bond is unsecured, subordinated and paid in full. It does not grant any voting rights and, in principle, has a perpetual term but it may be redeemed by Vontobel Holding AG for the first time on October 31, 2023, and thereafter annually on October 31. The AT1 bond has an annual coupon of 2.625 % until the first possible redemption date. If Vontobel Holding AG does not redeem the bond on October 31, 2023, the annual coupon for the next five years will be reset as the total of the CHF Compounded SARON Mid-Market Swap Rate +0.0741 % for five years that is applicable at the time (but at least 0 %) and a margin of 2.6050 %. Interest payments cannot be made if the Swiss Financial Market Supervisory Authority (FINMA) issues an instruction to this effect or if Vontobel Holding AG does not have the necessary profit distribution reserves to fund the interest payments for the AT1 bond and to make distributions that were already planned for the previous financial year. Cancelled interest payments will not be paid at a later point in time (non-cumulative). If interest payments are cancelled, the Board of Directors is not permitted to propose the distribution of dividends to the General Meeting of Shareholders of Vontobel Holding AG until interest payments on the AT1 bond resume.

If a viability event occurs – i.e. if there is an imminent risk of insolvency as defined by Art. 29 of the Swiss Capital Adequacy Ordinance (CAO) issued by FINMA – an automatic debt waiver will take effect and the AT1 bond will be written down to zero. If the Vontobel Group's common equity tier 1 (CET1) ratio falls below the threshold of 7 percent, the AT1 bond will be written down to the extent required in order for the threshold of 7 percent to be reached again or exceeded. After a partial or complete writedown of the AT1 bond, a future reversal of the writedown is neither planned nor permitted.

24 Provisions

CHF M	PROVISIONS FOR LITIGATION RISKS	PROVISIONS FOR REINSTATEMENT OBLIGATIONS	OTHER[1]	2022 TOTAL	2021 TOTAL
Balance at the beginning of the year	11.2	3.1	2.1	16.3	18.2
Utilization in conformity with designated purpose	–3.7		–0.2	–3.9	–4.6
Increase in provisions recognized in the income statement	3.2		3.5	6.7	3.0
Release of provisions recognized in the income statement	–3.6	–0.1	–0.7	–4.3	–0.4
Increase in provisions not recognized in the income statement		0.1		0.1	0.1
Recoveries					
Change in scope of consolidation					
Translation differences	–0.0	–0.0	–0.0	–0.1	–0.0
Provisions as at the balance sheet date	**7.2**	**3.0**	**4.6**	**14.9**	**16.3**

1 Other provisions consist of provisions for expected credit losses of off-balance positions and other liabilities.

A provision is recognized if, as a result of a past event, Vontobel has a current liability at the balance sheet date that will probably lead to an outflow of funds, the level of which can be reliably estimated. In principle, the recognition and release of provisions is recorded in the item “Provisions and losses”. Expected credit losses on off-balance-sheet positions are recorded in “Net interest and dividend income” (Sub-item “(Increase)/decrease in credit loss”) reinstatement obligations are recorded in “Property, equipment and software”. If an outflow of funds is unlikely to occur or the amount of the liability cannot be reliably estimated, a contingent liability is shown. If, as a result of a past event, there is a possible liability as of the balance sheet date whose existence depends on future developments that are not fully under Vontobel’s control, a contingent liability is likewise shown.

Vontobel is involved in various legal proceedings in the course of its normal business operations. A provision is recorded in respect of current and potential legal proceedings if the above recognition criteria are met. In certain cases, external counsel is consulted to determine whether this is the case.

25 Other liabilities

	NOTE	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Accrued expenses and deferred income		354.0	425.9	–72.0	–17
Current tax liabilities		13.3	53.7	–40.4	–75
Deferred tax liabilities	9	61.8	75.6	–13.7	–18
Defined benefit pension liabilities	36				
Value-added tax and other tax liabilities		19.0	17.3	1.7	10
Settlement and clearing accounts		39.5	98.2	–58.7	–60
Open settlement positions		759.3	183.6	575.8	314
Lease liabilities	17	181.0	179.9	1.1	1
Others		45.1	44.9	0.2	0
Total		**1,473.0**	**1,079.1**	**393.9**	**37**

26 Share capital

Share capital

	SHARE CAPITAL		AUTHORIZED CAPITAL		
	NUMBER OF SHARES	PAR VALUE CHF M	NUMBER OF SHARES	PAR VALUE CHF M	NUMBER OF OUTSTANDING SHARES[1]
Balance as of 01.01.2020	56,875,000	56.9			55,433,353
Balance as of 31.12.2020	56,875,000	56.9			55,752,302
Balance as of 31.12.2021	56,875,000	56.9			55,235,116
Balance as of 31.12.2022	**56,875,000**	**56.9**			**55,202,760**

The share capital is fully paid in.

1 Share capital excluding treasury shares

Treasury shares

	NUMBER	CHF M
Balance as of 01.01.2021	1,122,698	65.9
Purchases	1,780,886	137.6
Decreases	–1,263,700	–79.1
Balance as of 31.12.2021	1,639,884	124.4
Purchases	1,604,300	103.2
Decreases	–1,571,944	–113.9
Balance as of 31.12.2022	**1,672,240**	**113.7**

As of 31.12.2022 Vontobel held 6,388 (previous year: 7,460) treasury shares to secure options and structured products.
Own shares were offset against shareholders' equity in accordance with IAS 32.

Authorized capital
In the financial years 2022 and 2021, the Board of Directors did not apply for the creation of authorized capital.

Contingent share capital
There is no contingent share capital.

27 Unrealized gains and losses on financial investments

	31.12.2022		31.12.2021	
CHF M	UNREALIZED GAINS	UNREALIZED LOSSES	UNREALIZED GAINS	UNREALIZED LOSSES
Debt instruments [1]	0.2	–88.0	6.6	–7.6
Equity instruments [2]	90.1	–0.3	98.3	–0.3
Total before taxes	**90.4**	**–88.3**	**104.9**	**–7.9**
Taxes	–18.5	15.9	–19.6	1.4
Total net of tax [3]	**71.8**	**–72.4**	**85.2**	**–6.5**

1 Unrealized gains and losses are included in the balance sheet item “Other components of shareholders’ equity”.
2 Unrealized gains and losses are included in the balance sheet item “Retained earnings”.
3 The total amount net of tax includes exchange rate differences in the amount of CHF –0.4 M (previous year: CHF –0.4 M).

Risk related to balance sheet positions

28 Liquidity risk

CHF M	DEMAND	DUE WITHIN 3 MONTHS	DUE WITHIN 3 TO 12 MONTHS	DUE WITHIN 1 TO 5 YEARS	DUE AFTER 5 YEARS	31.12.2022 TOTAL
Maturity structure of assets and liabilities						
Assets						
Cash	3,884.2					3,884.2
Due from banks	1,574.1	0.9				1,575.1
Receivables from securities financing transactions		894.0				894.0
Loans	110.9	3,389.2	1,223.3	1,879.4	859.5	7,462.3
Trading portfolio assets	4,651.7					4,651.7
Positive replacement values	439.4					439.4
Other financial assets at fair value	8,297.2					8,297.2
Financial investments	122.3	54.2	312.1	1,209.9	28.7	1,727.3
Investments in associates [1]					3.7	3.7
Property, equipment and software [1]					383.9	383.9
Goodwill and other intangible assets [1]					629.6	629.6
Other assets	560.9					560.9
Total assets	**19,640.8**	**4,338.3**	**1,535.4**	**3,089.3**	**1,905.4**	**30,509.2**
Liabilities						
Due to banks	1,140.5	0.0				1,140.5
Payables from securities financing transactions		92.5				92.5
Customer deposits	12,715.7	469.8	55.4			13,240.9
Trading portfolio liabilities	170.4					170.4
Negative replacement values	1,191.0					1,191.0
Other financial liabilities at fair value	10,124.2					10,124.2
Debt issued			593.6		449.6	1,043.2
Provisions			2.8	10.1	1.9	14.9
Other liabilities	1,292.0	8.3	23.9	96.0	52.8	1,473.0
Total liabilities	**26,633.8**	**570.5**	**675.8**	**106.2**	**504.3**	**28,490.6**
Off-balance sheet						
Contingent liabilities and irrevocable commitments	398.6		0.0	0.4		399.1

1 Immobilized

Further information on liquidity risks can be found in section 4 of the notes on risk management and risk control.

CHF M	DEMAND	DUE WITHIN 3 MONTHS	DUE WITHIN 3 TO 12 MONTHS	DUE WITHIN 1 TO 5 YEARS	DUE AFTER 5 YEARS	31.12.2021 TOTAL
Maturity structure of assets and liabilities						
Assets						
Cash	7,835.0					7,835.0
Due from banks	916.8		0.0			916.8
Receivables from securities financing transactions	18.8	1,828.9				1,847.7
Loans	105.6	3,100.1	1,298.1	1,614.0	984.6	7,102.5
Trading portfolio assets	6,612.8					6,612.8
Positive replacement values	426.4					426.4
Other financial assets at fair value	4,415.6					4,415.6
Financial investments	130.5	223.5	270.7	907.9	83.8	1,616.4
Investments in associates [1]					5.3	5.3
Property, equipment and software [1]					377.3	377.3
Goodwill and other intangible assets [1]					547.0	547.0
Other assets	695.0					695.0
Total assets	**21,156.5**	**5,152.5**	**1,568.9**	**2,521.9**	**1,998.1**	**32,397.9**
Liabilities						
Due to banks	982.7	0.0				982.7
Payables from securities financing transactions	2.4	10.4				12.7
Customer deposits	14,763.3	30.0				14,793.3
Trading portfolio liabilities	288.6					288.6
Negative replacement values	1,505.0					1,505.0
Other financial liabilities at fair value	11,202.1					11,202.1
Debt issued					449.1	449.1
Provisions		0.1	0.2	13.7	2.3	16.3
Other liabilities	899.2	7.8	21.8	95.6	54.6	1,079.1
Total liabilities	**29,643.3**	**48.2**	**22.1**	**109.4**	**506.0**	**30,329.0**
Off-balance sheet						
Contingent liabilities and irrevocable commitments	476.4		0.0	0.1	0.2	476.8

1 Immobilized

29 Fair value of financial instruments

a) Financial instruments measured at fair value
The following table shows the assignment to the fair value hierarchy of those financial instruments that are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments measured at fair value

CHF M	LEVEL 1	LEVEL 2	LEVEL 3	31.12.2022 TOTAL
Assets				
Due from banks[1]		3.4		3.4
Loans[1]		0.0		0.0
Trading portfolio assets	3,310.2	1,340.9	0.5	4,651.7
Debt instruments	*565.4*	*370.6*		*936.0*
Equity instruments	*2,444.7*		*0.5*	*2,445.3*
Units in investment funds	*300.0*		*0.0*	*300.0*
Precious metals		*791.3*		*791.3*
Cryptocurrencies		*179.0*		*179.0*
Positive replacement values		439.4		439.4
Other financial assets at fair value	5,334.6	2,959.3	3.2	8,297.2
Debt instruments[2]	*5,291.3*	*2,884.0*		*8,175.3*
Equity instruments	*0.0*		*0.2*	*0.2*
Units in investment funds	*43.3*		*3.0*	*46.3*
Structured products		*75.4*		*75.4*
Financial investments	1,596.5	8.5	122.3	1,727.3
Debt instruments	*1,596.5*	*8.5*		*1,605.0*
Equity instruments			*122.3*	*122.3*
Other assets			3.3	3.3
Total financial assets at fair value	**10,241.3**	**4,751.6**	**129.4**	**15,122.3**
Liabilities				
Due to banks[1]		60.8		60.8
Customer deposits[1]		489.8		489.8
Trading portfolio liabilities	167.6	2.9		170.4
Debt instruments	*82.9*	*2.9*		*85.8*
Equity instruments	*81.8*			*81.8*
Units in investment funds	*2.8*			*2.8*
Negative replacement values		1,191.0		1,191.0
Other financial liabilities at fair value[3]		10,124.2		10,124.2
Structured products		*8,811.6*		*8,811.6*
Debt instruments		*1,312.7*		*1,312.7*
Other liabilities				
Total financial liabilities at fair value	**167.6**	**11,868.6**		**12,036.2**

1 These positions contain receivables or liabilities in the form of previous metals
2 In the case of debt instruments measured at fair value through profit and loss, the difference between the carrying amount (fair value) and the contractually agreed redemption amount at maturity was CHF –188.8 M.
3 Level 2 of the balance sheet item "Other financial liabilities at fair value" comprises listed issued products with a fair value of CHF 4,170.7 M.

CHF M	LEVEL 1	LEVEL 2	LEVEL 3	31.12.2021 TOTAL
Assets				
Due from banks[1]		8.5		8.5
Loans[1]				
Trading portfolio assets	4,340.4	2,272.1	0.3	6,612.8
Debt instruments	*147.2*	*48.1*		*195.3*
Equity instruments	*3,789.9*		*0.3*	*3,790.2*
Units in investment funds	*403.3*		*0.0*	*403.3*
Precious metals		*1,655.1*		*1,655.1*
Cryptocurrencies		*569.0*		*569.0*
Positive replacement values		426.4		426.4
Other financial assets at fair value	3,268.7	1,142.1	4.8	4,415.6
Debt instruments[2]	*3,212.1*	*1,055.3*		*4,267.4*
Equity instruments	*0.0*		*1.8*	*1.8*
Units in investment funds	*56.6*		*3.0*	*59.6*
Structured products		*86.9*		*86.9*
Financial investments	1,466.9	19.0	130.5	1,616.4
Debt instruments	*1,466.9*	*19.0*		*1,485.9*
Equity instruments			*130.5*	*130.5*
Total financial assets at fair value	**9,076.1**	**3,868.1**	**135.5**	**13,079.7**
Liabilities				
Due to banks[1]		60.4		60.4
Customer deposits[1]		1,354.6		1,354.6
Trading portfolio liabilities	277.7	11.0		288.6
Debt instruments	*70.4*	*11.0*		*81.4*
Equity instruments	*207.3*			*207.3*
Negative replacement values		1,505.0		1,505.0
Other financial liabilities at fair value[3]		11,202.1		11,202.1
Structured products		*11,112.0*		*11,112.0*
Debt instruments		*90.1*		*90.1*
Other liabilities			1.2	1.2
Total financial liabilities at fair value	**277.7**	**14,133.0**	**1.2**	**14,411.9**

1 These positions contain receivables or liabilities in the form of previous metals
2 In the case of debt instruments measured at fair value through profit and loss, the difference between the carrying amount (fair value) and the contractually agreed redemption amount at maturity was CHF 17.8 M.
3 Level 2 of the balance sheet item “Other financial liabilities at fair value” comprises listed issued products with a fair value of CHF 5,311.2 M.

Level 1 instruments

In the fair value hierarchy defined in IFRS 13, level 1 instruments are those financial instruments whose fair value is based on quoted prices in active markets. This category essentially comprises almost all equity instruments and government bonds, liquid debt instruments issued by public sector entities and companies, as well as investment funds for which a binding net asset value is published at least daily.

Mid-market prices are used for the valuation of debt instruments in the trading book, provided the market price risks from these positions are offset fully or to a significant extent by other positions in the trading book. For the valuation of other debt instruments, bid prices are used in the case of long positions and ask prices in the case of short positions. For equity instruments and listed investment funds, the closing prices of the relevant markets are used. Published net asset values are used in the case of unlisted investment funds. For foreign currencies, generally accepted prices are applied (see note 43).

No valuation adjustments are made in the case of level 1 instruments.

Level 2 instruments

Level 2 instruments are financial instruments whose fair value is based on quoted prices in markets that are not active or on a valuation method where significant input parameters can be observed directly or indirectly. This mainly includes derivatives, products issued by Vontobel and debt instruments issued by public sector entities and companies with reduced market liquidity, investment funds for which a binding net asset value is published at least quarterly, precious metals and cryptocurrencies.

Generally accepted valuation models and quoted prices in markets that are not active are used to determine the fair value of derivatives, including option components of structured products. The present value method is used to determine the fair value of the interest rate components of issued products. To measure the fair value of debt instruments where quoted prices are available but the low trading volume means there is no active market, the same rules apply to the use of mid-market prices and bid or ask prices as for the corresponding level 1 instruments. The valuation of debt instruments for which no quoted prices are available is carried out using generally accepted methods. Published net asset values are used in the case of investment funds. For precious metals and cryptocurrencies, the fair value is derived from the prices of the corresponding futures.

The valuation models take account of the relevant parameters such as contract specifications, the market prices of the underlying assets, foreign exchange rates, market interest rates or funding rates, default risks, volatilities and correlations. Vontobel's credit risk is only taken into account when determining the fair value of financial liabilities if market participants would consider it when calculating prices. OTC derivatives are traded only on a collateralized basis, which is why own credit risk (as well as third-party credit risk in the case of receivables) is not included in the valuation.

Level 3 instruments

Level 3 instruments are financial instruments whose fair value is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. They primarily include several unlisted equity instruments in financial investments.

The fair value of these equity instruments is based on the proportionate share of the net asset value, taking account of any further valuation-relevant factors.

The following table shows the change in level 3 financial instruments in Vontobel's balance sheet and the income on the positions as of the balance sheet date.

Level 3 financial instruments

CHF M	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS[1]	2022 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES[2]	2022 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	5.1	130.5		135.5	–1.2	–1.2
Additions in scope of consolidation			3.3	3.3		
Disposals from scope of consolidation						
Investments	0.0			0.0		
Disposals	–10.2			–10.2		
Redemptions	–0.0			–0.0	0.4	0.4
Net gains / (losses) recognized in the income statement	8.3			8.3	0.8	0.8
Net gains / (losses) recognized in other comprehensive income		–8.1		–8.1		
Change recognized in shareholders' equity						
Reclassifications to level 3	0.5			0.5		
Reclassifications from level 3						
Translation differences						
Total carrying amount at balance sheet date	**3.8**	**122.3**	**3.3**	**129.4**		
Income in the financial year on holdings on balance sheet date						
Net gains / (losses) recognized in the income statement	0.1			0.1		
Net gains / (losses) recognized in other comprehensive income		–8.1		–8.1		

1 This item contains the asset from an earn-out-agreement relating to the acquisition of UBS Swiss Financial Advisers AG, of today's Vontobel Swiss Financial Advisers AG (31.12.2022: 3.3 M; 31.12.2021: n / a).
2 This item contains the liability from an earn-out-agreement relating to the acquisition of the US-based private clients portfolio of Lombard Odier (31.12.2022: n / a; 31.12.2021: CHF 1.2 M).

CHF M	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS	2021 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES[1]	2021 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	5.2	119.9		125.2	–165.6	–165.6
Additions in scope of consolidation						
Disposals from scope of consolidation						
Investments	0.0	0.3		0.3		
Disposals	–0.1			–0.1		
Redemptions	–0.1			–0.1	291.1	291.1
Net gains / (losses) recognized in the income statement	–0.3			–0.3	–24.6	–24.6
Net gains / (losses) recognized in other comprehensive income		10.2		10.2		
Change recognized in shareholders' equity					–102.1	–102.1
Reclassifications to level 3	0.3			0.3		
Reclassifications from level 3						
Translation differences						
Total carrying amount at balance sheet date	**5.1**	**130.5**		**135.5**	**–1.2**	**–1.2**
Income in the financial year on holdings on balance sheet date						
Net gains / (losses) recognized in the income statement	–0.0			–0.0		
Net gains / (losses) recognized in other comprehensive income		10.2		10.2		

1 This item contains the liability to acquire minority interests in TwentyFour Asset Management LLP (31.12.2021: n / a; 31.12.2020: CHF 163.6 M) and the liability from an earn-out-agreement relating to the acquisition of the US-based private clients portfolio of Lombard Odier (31.12.2021: CHF 1.2 M; 31.12.2020: CHF 2.0 M).

Valuation adjustments

The fair value of level 2 and level 3 instruments is always an estimate or an approximation of a value that cannot be determined with absolute certainty. In addition, the valuation methods used do not always reflect all the factors that are relevant when determining fair value. To ensure appropriate valuations in the case of products issued by Vontobel and OTC contracts, further factors such as model uncertainties and liquidity risks are taken into account where this is deemed necessary. Adjustments made due to model uncertainties reflect the limits of the valuation model used. Adjustments made due to liquidity risks take account of pricing risks related to hedging positions. Management believes it is necessary and appropriate to take these factors into account in order to correctly determine fair value.

The appropriateness of the valuation of financial instruments that are not traded in an active market is ensured through the application of clearly defined methods and processes as well as independent controls. The control processes comprise the analysis and approval of new instruments, the regular analysis of risks as well as gains and losses, the verification of prices and the examination of the models on which the estimates of the fair value of financial instruments are based. These controls are conducted by units that possess the relevant specialist knowledge and operate independently from the trading and investment functions.

Sensitivity of fair values of level 3 instruments

A change in the net asset value of unlisted equity instruments leads to a proportional change in fair value. A reasonably realistic change in input parameters has no significant impact on Vontobel's consolidated financial statements.

Day 1 profit

For level 1 and level 2 instruments, any difference between the transaction price and fair value – referred to as "day 1 profit" – is recorded in "Trading income" in the case of trading portfolio assets and liabilities, other financial instruments at fair value and derivative financial instruments. It is recorded in "Other comprehensive income" in the case of financial investments.

For level 3 instruments, "day 1 profit" is deferred and only recognized through profit or loss at a later point in time. During the financial year and the previous year, there were no level 3 instruments with deferred "day 1 profit".

Reclassifications within the fair value hierarchy

In 2022 (previous year), positions with a fair value of CHF 383.2 million (CHF 162.0 million) were reclassified from level 1 to level 2 and positions with a fair value of CHF 80.2 million (CHF 127.7 million) were reclassified from level 2 to level 1. In the event of changes in the availability of market prices (market liquidity) or of binding net asset values of investment funds, reclassifications are made at the end of the period under review.

b) Financial instruments measured at amortized cost
The following table shows the carrying amount, estimated fair value and assignment to the fair value hierarchy of those financial instruments that are measured at amortized cost.

Financial instruments measured at amortized cost

					31.12.2022		31.12.2021
CHF M	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE TOTAL	CARRYING AMOUNT TOTAL	FAIR VALUE TOTAL	CARRYING AMOUNT TOTAL
Assets							
Cash	3,884.2			3,884.2	3,884.2	7,835.0	7,835.0
Due from banks		1,571.6		1,571.6	1,571.6	908.3	908.3
Receivables from securities financing transactions		894.0		894.0	894.0	1,847.7	1,847.7
Loans[1]		7,253.2		7,253.2	7,462.3	7,248.8	7,102.5
Other assets[2]		467.5		467.5	467.5	502.6	502.6
Total	**3,884.2**	**10,186.3**		**14,070.5**	**14,279.5**	**18,342.4**	**18,196.1**
Liabilities							
Due to banks[1]		1,079.7		1,079.7	1,079.7	922.3	922.3
Payables from securities financing transactions		92.5		92.5	92.5	12.7	12.7
Customer deposits[1]		12,751.0		12,751.0	12,751.0	13,438.7	13,438.7
Debt issued	438.6	593.6		1,032.2	1,043.2	456.1	449.1
Other liabilities[2]		1,197.9		1,197.9	1,197.9	751.4	751.4
Total	**438.6**	**15,714.8**		**16,153.4**	**16,164.4**	**15,581.2**	**15,574.3**

1 Excludes receivables and liabilities in the form of precious metals. The figures for the prior year were adjusted accordingly.
2 The item mainly includes the accrued interest as well as open settlement positions.

For financial instruments that have a maturity or a refinancing profile of a maximum of one year, it is assumed that the carrying amount corresponds closely enough to the fair value. For financial instruments that have a maturity or a refinancing profile of over one year, fair value is determined using the present value method. These types of financial instruments are included almost exclusively in loans to customers. For the valuation of the AT1 bond, the ask price is used.

30 Credit risks and expected credit losses

General information on the risk policy and credit risks
Please refer to sections 1 and 5 of the information about risk management and risk control.

Maximum credit risk before and after credit risk mitigation
The following table shows the maximum credit risk from all balance sheet and off-balance sheet positions and the available credit risk mitigation methods.

CHF M	CREDIT RISK BEFORE CREDIT RISK MITIGATION	CREDIT RISK MITIGATION[1]	31.12.2022 CREDIT RISK AFTER CREDIT RISK MITIGATION
Positions with credit risks			
Cash[2]	3,884.2		3,884.2
Due from banks	1,575.1	1,069.5	505.5
Receivables from securities financing transactions	894.0	894.0	0.0
Loans	7,462.3	7,067.5	394.7
Trading portfolio assets (debt instruments)	936.0		936.0
Positive replacement values	439.4	432.7	6.7
Other financial assets at fair value (debt instruments)	8,175.3		8,175.3
Financial investments (debt instruments)	1,605.0		1,605.0
Other assets	470.8	219.1	251.7
Exposure from credit default swaps[3]	196.7		196.7
Off-balance-sheet positions	358.8	323.5	35.3
Total	**25,997.4**	**10,006.2**	**15,991.2**

CHF M	CREDIT RISK BEFORE CREDIT RISK MITIGATION	CREDIT RISK MITIGATION[1]	31.12.2021 CREDIT RISK AFTER CREDIT RISK MITIGATION
Positions with credit risks			
Cash[2]	7,835.0		7,835.0
Due from banks	916.8	389.9	526.9
Receivables from securities financing transactions	1,847.7	1,847.2	0.5
Loans	7,102.5	6,676.7	425.8
Trading portfolio assets (debt instruments)	195.3		195.3
Positive replacement values	426.4	412.9	13.5
Other financial assets at fair value (debt instruments)	4,267.4		4,267.4
Financial investments (debt instruments)	1,485.9		1,485.9
Other assets	502.6	285.1	217.5
Exposure from credit default swaps[3]	170.9		170.9
Off-balance-sheet positions	437.2	403.3	33.8
Total	**25,187.7**	**10,015.2**	**15,172.5**

1 Credit risk mitigation is presented on the basis of Basel III regulations and encompasses netting agreements, securities collateral, cash collateral and mortgage collateral.
2 Bank notes and coins are included in the disclosure.
3 Default risks relating to the reference entities of credit default swaps where Vontobel acts as the protection seller. Any credit risk vis-à-vis the counterparty of the credit default swap is included in the balance sheet item “Positive replacement values”.

Expected credit losses
From the credit risks shown in the above table, those that fall within the scope of the IFRS 9 impairment model at Vontobel mainly comprise financial assets recognized at amortized cost, debt instruments in financial investments, and credit risks from off-balance sheet positions. Vontobel applies the impairment model individually for all relevant financial nstruments.

a) Credit risks by region
The following table shows the credit risks that fall within the scope of the impairment model, broken down by region. The domicile of the counterparty or issuer generally serves as the basis for the geographical assignment of risks.

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2022 TOTAL
Cash	3,881.4	2.9				3,884.2
Due from banks	1,069.2	402.2	83.1	11.9	8.7	1,575.1
Receivables from securities financing transactions	894.0					894.0
Loans	3,416.3	1,727.2	601.5	363.1	1,354.1	7,462.3
Financial investments (debt instruments)	248.2	471.5	461.6	375.8	47.8	1,605.0
Other assets	288.1	117.7	31.2	33.9	0.0	470.8
Off-balance sheet	185.1	97.7	24.0	23.1	28.9	358.8
Total	**9,982.2**	**2,819.1**	**1,201.3**	**807.8**	**1,439.6**	**16,250.1**

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2021 TOTAL
Cash	7,523.6	311.4				7,835.0
Due from banks	798.3	48.6	55.2	0.3	14.4	916.8
Receivables from securities financing transactions	1,828.9	18.8				1,847.7
Loans	2,934.3	2,069.0	255.6	426.1	1,417.5	7,102.5
Financial investments (debt instruments)	133.3	669.9	321.3	341.3	20.1	1,485.9
Other assets	426.5	64.0	6.5	4.7	0.9	502.6
Off-balance sheet	219.9	156.7	4.8	24.1	31.7	437.2
Total	**13,864.8**	**3,338.4**	**643.4**	**796.5**	**1,484.6**	**20,127.7**

b) Credit risks by counterparty type or industry

The following table shows the credit risks that fall within the scope of the impairment model, broken down by counterparty type or industry.

CHF M	GOVERNMENTS AND CENTRAL BANKS	BANKS	PUBLIC BODIES	PRIVATE AND INSTITUTIONAL COUNTERPARTIES	OTHERS	31.12.2022 TOTAL
Cash	3,870.4	13.8				3,884.2
Due from banks		1,575.1				1,575.1
Receivables from securities financing transactions	80.0	795.5			18.5	894.0
Loans				7,462.3		7,462.3
Financial investments (debt instruments)	806.6	356.9	143.3		298.1	1,605.0
Other assets	100.8	242.4	7.0	120.6		470.8
Off-balance sheet		53.5		246.1	59.3	358.8
Total	**4,857.9**	**3,037.1**	**150.3**	**7,828.9**	**375.9**	**16,250.1**

CHF M	GOVERNMENTS AND CENTRAL BANKS	BANKS	PUBLIC BODIES	PRIVATE AND INSTITUTIONAL COUNTERPARTIES	OTHERS	31.12.2021 TOTAL
Cash	7,835.0					7,835.0
Due from banks		916.8				916.8
Receivables from securities financing transactions		1,847.7				1,847.7
Loans				7,102.5		7,102.5
Financial investments (debt instruments)	254.9	542.7	425.6		262.7	1,485.9
Other assets		25.6		114.9	362.1	502.6
Off-balance sheet		34.5		402.7	0.0	437.2
Total	**8,089.9**	**3,367.3**	**425.6**	**7,620.1**	**624.8**	**20,127.7**

c) Expected credit losses

The following table shows the expected credit losses for those credit risks that fall within the scope of the impairment model.

			31.12.2022			31.12.2021
CHF M	12-MONTH LOSSES (STAGE 1)	LIFETIME LOSSES (STAGE 2 & 3)	TOTAL	12-MONTH LOSSES (STAGE 1)	LIFETIME LOSSES (STAGE 2 & 3)	TOTAL
Cash [1]						
Due from banks [1]	0.2	0.0	0.2	0.3		0.3
Receivables from securities financing transactions [1]						
Loans [1]	0.3	35.2	35.4	0.2	25.9	26.1
Financial investments (debt instruments) [2]	0.2		0.2	0.3	0.0	0.3
Other assets [1]		5.1	5.1		5.1	5.1
Off-balance sheet [3]	0.0		0.0	0.0		0.0
Total	**0.7**	**40.3**	**41.0**	**0.8**	**31.0**	**31.8**

1 Expected losses were deducted from the balance sheet item.
2 Expected losses were recognized in other comprehensive income.
3 Expected losses were recognized as a provision.

At Vontobel, a financial instrument is assigned to stage 1 of the impairment model at the time of initial recognition. Vontobel has elected under IFRS 9 to continue to allocate all financial instruments with an internal or external rating of at least “investment grade” to stage 1 after initial recognition. At Vontobel, this applies to the vast majority of financial instruments. If a financial instrument displays a significantly increased credit risk (risk of default) compared to the time of initial recognition and if any (internal or external) rating no longer corresponds to at least “investment grade”, it is transferred to stage 2. The main indicators of a significant increase in credit risk are: A delay in payment and a material deterioration in the rating, credit risk-related market data (e.g. increase in the risk premium) or borrower-related (idiosyncratic) factors. If a payment is more than 30 days past due, a financial instrument is, in principle, always transferred to stage 2. If a counterparty defaults, the financial instrument is transferred to level 3. A counterparty is classified as defaulted when material payments of interest, principal or fees are overdue for more than 90 days. Counterparties are also classified as defaulted when bankruptcy, insolvency proceedings or enforced liquidation have commenced. In the case of debt instruments in financial investments, a material decrease in the market price due to borrower-specific factors is considered a significant indicator of the borrower’s default.

The expected credit losses in stage 1 of the impairment model correspond to the present value of expected credit losses resulting from possible default events within 12 months of the balance sheet date (“12-month losses”). The expected credit losses in stages 2 and 3 correspond to the present value of all expected credit losses over the remaining lifetime of the financial instrument (“lifetime losses”). The change in expected credit losses is recognized in “Net interest and dividend income”.

The expected credit losses on financial instruments with an external or comparable internal rating are calculated by multiplying the exposure at default (EAD) with the probability of default (PD) and the loss given default (LGD).The probabilities of default are generally determined using the rating transition matrixes of rating agencies or internal ratings. The value of collateral is taken into account.

The expected credit losses of financial instruments in stage 3 are calculated after taking account of collateral valued at the liquidation value using an individual assessment of the unsecured portion of the loan. Derecognition generally occurs at the point in time when a legal title confirms the conclusion of the realization proceedings.

The financial investments held by Vontobel generally consist solely of liquid debt instruments from high-quality borrowers that have been assigned an external rating in the high “investment grade” range by a recognized rating agency. The creditworthiness of the borrowers is monitored continuously based on changes in external ratings, market factors as well as internal assessments. If a debt instrument no longer meets the internal rules governing creditworthiness, it is generally sold within a very short period of time. In exceptional cases where the instrument is not sold, checks are carried out at the next balance sheet date to determine whether there has been a significant increase in the credit risk or whether there are significant indicators of impairment. Since the debt instruments are highly liquid, the market price is a reliable indicator of the financial position of a borrower. In the event of a significant decrease in market price due to borrower-related factors, the debt instrument is classed as impaired.

The secured loans provided to investment clients ("lombard lending") and exposures to professional counterparties – with the exception of the financial investments described above – are generally only entered into on a secured basis, with securities serving as easily realizable collateral. Mortgage collateral consists of mortgage certificates, although the corresponding clients generally hold additional assets at Vontobel. Further information about the procedures to ensure that adequate collateral is in place as well the methods and processes used to carefully manage counterparty risks resulting from unsecured exposures is provided in chapter 5 of the notes on risk management and risk control. The management and control of counterparty risks minimizes the probability that a stage 1 exposure will have to be transferred to stages 2 or 3.

Due to the very good creditworthiness of the counterparties, the daily monitoring of credit positions (exception: mortgages), the short maturity of many debt instruments and the prudent lending rates of the collateral received, expected credit losses in stages 1 and 2 are very low.

Financial instruments in stage 3 of the impairment model represent impaired loans. In the year under review and the previous year, they were contained in the balance sheet positions "Loans" and "Other assets". The following table shows the development of expected credit losses from impaired loans and the stage of impaired loans before and after collateral is considered.

	2022	2021	CHANGE TO 2021	
EXPECTED CREDIT LOSSES FROM IMPAIRED LOANS	**CHF M**	**CHF M**	**CHF M**	**IN %**
Balance at the beginning of the year	24.1	28.4	–4.3	–15
Utilization in conformity with designated purpose		–11.2	11.2	100
Doubtful interest income	1.1	0.3	0.8	267
Recoveries				
Increase / (decrease) recognized in the income statement, net	3.0	6.5	–3.5	–54
Change in scope of consolidation				
Reclassification	–0.0		–0.0	
Currency translation adjustments	–0.0		–0.0	
Allowances as at the balance sheet date	**28.2**	**24.1**	**4.1**	**17**

	31.12.2022	31.12.2021	CHANGE TO 31.12.2021	
	CHF M	**CHF M**		**IN %**
IMPAIRED LOANS				
Impaired loans	58.3	36.6	21.6	59
Estimated proceeds of liquidating collateral	25.8	4.5	21.3	473
Impaired loans, net	**32.4**	**32.1**	**0.3**	**1**

Depending on the specific case, receivables with evidence of impairment (or the collateral received) are sold or held until the insolvency or legal proceedings have been concluded and then derecognized.

d) Credit risks by rating classes

The following tables show credit risks that fall within the scope of the impairment model, broken down by rating classes to the extent that the internal or external rating of the borrower or of any guarantor represents a relevant criterion at the time of lending or when the purchase decision was made. For remaining credit risks, the collateral received is the primary or sole factor considered when granting the loan or reaching a purchase decision (especially receivables from securities financing transactions and lombard loans), which is why they are not included in the following tables. For "Due from banks", only the carrying amounts of unsecured exposures are shown. For loans, the carrying amounts of mortgages and of receivables guaranteed by a third party with an external rating are shown.

Due from banks (unsecured exposures)

			31.12.2022			31.12.2021
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
AAA-AA	141.6		141.6	3.3		3.3
A	358.1		358.1	523.6		523.6
BBB-BB	0.9	1.3	2.2			
B						
CCC-CC						
C						
D						
without rating		3.6	3.6			
Total	**500.7**	**4.8**	**505.5**	**526.9**		**526.9**

Loans (mortgages)[1]

			31.12.2022			31.12.2021
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
Internal rating 1–2	1,431.3		1,431.3	1,315.9		1,315.9
Internal rating 3–4	307.1		307.1	300.2		300.2
Internal rating 5–6	17.5		17.5	14.2		14.2
Internal rating 7–8		27.7	27.7		6.1	6.1
Total	**1,755.9**	**27.7**	**1,783.6**	**1,630.3**	**6.1**	**1,636.4**

1 The table includes nominal values without taking fair value hedge accounting into account.

Loans (rating of third-party guarantor)

			31.12.2022			31.12.2021
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
AAA-AA	4.6		4.6	2.2		2.2
A	21.7		21.7	52.0		52.0
BBB-BB	0.2		0.2	0.5		0.5
B						
CCC-CC						
C						
D						
without rating		3.1	3.1		7.6	7.6
Total	**26.5**	**3.1**	**29.6**	**54.7**	**7.6**	**62.3**

Financial investments (debt instruments)

CHF M	STAGE 1	STAGE 2 & 3	31.12.2022 TOTAL	STAGE 1	STAGE 2 & 3	31.12.2021 TOTAL
AAA-AA	1,426.5		1,426.5	1,132.2		1,132.2
A	171.0		171.0	340.5		340.5
BBB-BB	7.5		7.5	13.2		13.2
B						
CCC-CC						
C						
D						
without rating						
Total	**1,605.0**		**1,605.0**	**1,485.9**		**1,485.9**

31 Netting agreements

To reduce credit risks related to derivative contracts and securities financing transactions, Vontobel enters into master netting agreements or similar netting arrangements with its counterparties. These netting agreements include ISDA Master Netting Agreements, Global Master Securities Lending Agreements (GMSLA), Global Master Repo Agreements (GMRA) and derivatives market rules.

These netting agreements enable Vontobel to protect itself against loss in the event of a possible insolvency or other circumstances that result in a counterparty being unable to meet its obligations. In such cases, the netting agreements provide for the immediate net settlement of all financial instruments covered by the agreement. The right of offset essentially only becomes enforceable following a default event or other circumstances not expected to arise in the normal course of business. Consequently, financial instruments covered by a netting agreement do not meet the requirements for balance sheet offsetting, which is why the carrying amounts of the corresponding financial instruments are not offset on the balance sheet.

Financial assets

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL RECEIVED	UNSECURED AMOUNT
Positive replacement values	439.4		439.4	131.5	301.2	6.7
Receivables from securities financing transactions	894.0		894.0		894.0	0.0
Total 31.12.2022	**1,333.4**		**1,333.4**	**131.5**	**1,195.2**	**6.7**

Financial liabilities

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL PROVIDED	UNSECURED AMOUNT
Negative replacement values [1]	941.8		941.8	131.5	779.9	30.4
Payables from securities financing transactions	92.5		92.5		92.5	
Total 31.12.2022	**1,034.3**		**1,034.3**	**131.5**	**872.4**	**30.4**

1 Negative replacement values in the amount of CHF 249.2 M are not included in the table because the corresponding derivatives are not covered by a netting agreement.

Financial assets

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL RECEIVED	UNSECURED AMOUNT
Positive replacement values	426.4		426.4	82.2	330.7	13.5
Receivables from securities financing transactions	1,847.7		1,847.7		1,847.2	0.5
Total 31.12.2021	**2,274.1**		**2,274.1**	**82.2**	**2,177.9**	**14.0**

Financial liabilities

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL PROVIDED	UNSECURED AMOUNT
Negative replacement values[1]	937.4		937.4	82.2	826.8	28.4
Payables from securities financing transactions	12.7		12.7		12.7	
Total 31.12.2021	**950.2**		**950.2**	**82.2**	**839.5**	**28.4**

1 Negative replacement values in the amount of CHF 567.6 M are not included in the table because the corresponding derivatives are not covered by a netting agreement.

32 IBOR reform

As of December 31, 2021, Vontobel had adjusted all LIBOR-based positions in CHF, EUR, GBP and JPY. As of December 31, 2022, total return swaps and interest rate swaps with a positive replacement value of CHF 6.9 million and a negative replacement value of CHF 5.5 million, respectively, and a total nominal value of CHF 235.3 million, as well as CHF 53.8 million of floating rate notes of third-party issuers, were recognized that are based on USD LIBOR and have to be migrated to an alternative interest rate before expiration. Vontobel will adjust the remaining IBOR-based financial instruments within the prescribed timeframe, i.e. before June 30, 2023. Vontobel did not hold any tough legacy positions as of December 31, 2022.

33 Hedge accounting

Fair value hedges

Vontobel hedges part of the long-term mortgages against general interest rate risks using payer interest rate swaps with maturities that match the terms of the hedged mortgages as far as possible. The client-related risk premium is therefore not part of the hedge. The effectiveness of the hedge is tested prospectively using various interest rate scenarios. Hedge ineffectiveness can arise primarily due to any differences between the term of the hedged mortgages and the maturities of the hedging instruments on the one hand, and changes in the fair value of the variable side of the interest rates swaps on the other. Interest rate swaps are only entered into on a collateralized basis, which is why changes in the creditworthiness of the counterparty do not, in principle, have any impact on the valuation of the hedging instruments.

The change in the fair value of interest rate swaps is recognized in trading income. The change in the fair value of hedged mortgages that is attributable to the hedged risk leads to an adjustment of the carrying amount of the corresponding mortgages and is also recognized in trading income. In the case of early termination of the hedge, the cumulative adjustment of the carrying amount of the corresponding mortgages is recognized in net interest income over their remaining term.

Hedges of net investments in foreign operations

Vontobel hedges part of the foreign currency risks related to its net investments in foreign operations. The spot component of foreign currency forwards with short maturities serves as a hedging instrument in this context. In principle, there is no ineffectiveness since, on the one hand, the foreign exchange rate used for the currency translation of the net investments and for the valuation of hedging instruments is identical and, on the other hand, the foreign currency forwards are only entered into on a collateralized basis, which is why changes in the creditworthiness of the counterparty do not, in principle, have any impact on the valuation of the hedging instruments.

The change in fair value of the effective portion of the forwards is recognized in other comprehensive income and is shown in the statement of equity in the column “Currency translation adjustments”, while the change in fair value of the ineffective and/or non-designated portion (interest component) of the forwards is recognized in trading income. If a realization event occurs (e.g. when control over a subsidiary is lost), the related income from hedges is transferred from shareholders’ equity to the item “Other income” in the income statement.

Information on hedging instruments

CHF M	31.12.2022	31.12.2021
Fair value hedges		
Positive replacement values of interest rate swaps	36.1	2.4
Negative replacement values of interest rate swaps		
Nominal value of interest rate swaps	238.3	238.3
Nominal value-weighted residual term of interest rate swaps (in years)	8.0	9.0
Hedges of net investments in foreign operations		
Positive replacement values of forwards		0.3
Negative replacement values of forwards	0.2	
Nominal value of forwards	69.1	72.5

Effect of hedge accounting on the components of shareholders’ equity “Currency translation adjustments” (before taxes)[1]

	CURRENCY TRANSLATION ADJUSTMENTS	
CHF M	2022	2021
Balance at the beginning of the year	2.0	7.5
Income during the reporting period	3.3	–5.5
Gains and losses transferred to the income statement		
As at the balance sheet date	**5.4**	**2.0**

1 The currency translation adjustments are reported in the balance sheet item “Other components of shareholders’ equity”.

Effect of fair value hedge accounting on the carrying amount of mortgages

CHF M	31.12.2022	31.12.2021
Cumulative adjustments	–36.6	–3.0

Ineffectiveness

CHF M	2022	2021
Fair value hedges	0.1	0.3
Hedges of net investments in foreign operations		

Off-balance sheet business and other information

34 Off-balance sheet business

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Contingent liabilities				
Credit guarantees[1]	250.9	322.7	–71.8	–22
Performance guarantees	14.4	1.0	13.4	
Other contingent liabilities[2]	41.7	41.0	0.7	2
Total	**307.0**	**364.7**	**–57.7**	**–16**
Irrevocable commitments				
Undrawn irrevocable credit facilities[3]	92.0	112.2	–20.1	–18
of which payment obligations to customer deposit protections	*32.4*	*31.3*	*1.1*	*4*

1 This item consists primarily of guarantee obligations issued in connection with client relationships.
2 This item consists primarily of contingent liabilities related to litigation.
3 This item consists primarily of irrevocable lending commitments and loan repayment commitments as well as the payment obligations to customer deposit protections.

Of the aggregate sum of CHF 399.1 M (previous year: CHF 476.8 M) comprising contingent liabilities and irrevocable commitments, a total of CHF 323.5 M (previous year: CHF 403.3 M) is secured by recognized collateral and CHF 75.6 M (previous year: CHF 73.5 M) is unsecured.

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Commitments for capital increases and capital contributions				
Commitments for capital increases and capital contributions	0.2	0.2	–0.0	0
Total	**0.2**	**0.2**	**–0.0**	**0**
Fiduciary transactions				
Fiduciary placements	3,969.0	1,268.6	2,700.3	213
Total	**3,969.0**	**1,268.6**	**2,700.3**	**213**

Litigation

In connection with the fraud committed by Bernard Madoff, the liquidators of investment vehicles that invested directly or indirectly in Madoff funds have filed lawsuits with various courts against more than 100 banks and custodians. The litigation is targeted at investors who redeemed their investments in these vehicles between 2004 and 2008. The liquidators are demanding that the investors repay the sums involved because they consider them to have been obtained unjustly as a result of the redemptions. Since the liquidators often only know the names of the investors' custodian banks, they have filed the lawsuits against them. Several legal entities of Vontobel are or may be affected directly or indirectly by the litigation in their capacity as a bank or custodian. The claims filed against Vontobel since 2010 concern the redemption of investments. The litigation amounts total around USD 44.1 million. However, based on the information currently available to it, Vontobel believes the probability of a lawsuit resulting in an outflow of funds is low and it has therefore decided not to set aside any provisions for such a lawsuit, but rather to disclose the amount under contingent liabilities.

35 Client assets

Client assets is a broader term than assets under management and comprises all bankable assets that are managed by or deposited with Vontobel, including assets that are held solely for transaction or custody purposes and for which further services are provided. It also comprises investment products offered by Financial Products to give private and institutional clients access to all asset classes and markets.

Client assets

	31.12.2022 CHF B	31.12.2021 CHF B	CHANGE TO 31.12.2021 CHF B	IN %
Assets under management	204.4	243.7	–39.3	–16
Other advised client assets	14.5	16.3	–1.9	–12
Structured products and debt instruments outstanding	7.7	8.1	–0.3	–4
Total advised client assets	**226.6**	**268.1**	**–41.5**	**–15**
Custody assets	27.9	28.6	–0.7	–2
Total client assets	**254.6**	**296.8**	**–42.2**	**–14**

Assets under management

	31.12.2022 CHF B	31.12.2021 CHF B	CHANGE TO 31.12.2021 CHF B	IN %
Assets in self-managed collective investment instruments	48.6	65.8	–17.2	–26
Assets with management mandate	76.2	94.8	–18.6	–20
Other assets under management	79.6	83.1	–3.5	–4
Total assets under management	**204.4**	**243.7**	**–39.3**	**–16**
of which double counts	*5.8*	*6.9*	*–1.1*	*–16*

Calculation in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting standards for financial institutions and Vontobel internal guidelines

Development of assets under management

CHF B	2022	2021
Total assets under management (incl. double counts) at the beginning of the period	243.7	219.6
Change attributable to net new money	–5.2	8.1
Change attributable to market value	–40.3	16.0
Change attributable to other effects[1]	6.2	
Total assets under management (incl. double counts) at the balance sheet date	**204.4**	**243.7**

1 2022: Positive impact of CHF 6.2 billion due to the acquisition of UBS SFA

Assets under management and net inflows / outflows of new money

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting rules for financial institutions (FINMA Circular 20 / 01). Assets under management comprise all of the assets managed or held for investment purposes of private, corporate and institutional clients. This includes all customer deposits in the form of savings and investments accounts, fixed-term and fiduciary deposits and all valued assets. Assets under management that are deposited with third parties are included to the extent that they are managed by a Vontobel company. Assets under management only include those assets on which Vontobel generates considerably higher income than on assets that are held solely for custody purposes or the execution of transactions. These types of custody assets are reported separately. Assets that are counted more than once, i.e. in several categories of assets under management that are to be disclosed, are shown under double counts. They primarily include shares in self-managed collective investment instruments as well as strategic certificates (actively managed certificates, tracker certificates) in client portfolios.

Net inflows or outflows of assets under management during the reporting period consist of the acquisition of new clients, the departure of clients as well as inflows and outflows of assets from existing clients. This also includes the borrowing and the repayment of loans, as well as the distribution of collective capital investments. The calculation of the net inflow or outflow of new money is performed at the level "Total assets under management". If there is a change in the service provided, resulting in the reclassification of assets under management as assets held for custody purposes or vice versa, this is recorded as an outflow of new money or an inflow of new money, respectively. Securities-related and currency-related changes in market value, interest and dividends, fee charges, loan interest paid and the impacts of acquisitions and disposals in Vontobel's subsidiaries or businesses do not constitute inflows or outflows of assets.

In the case of assets under discretionary management, the client delegates portfolio investment activities to a Vontobel company. Assets under discretionary management comprise client assets where Vontobel decides how the funds are to be invested based on a prior structured analysis of the client's risk appetite and risk capacity. The information relates to assets deposited with Group companies as well as with third parties for which Vontobel exercises a management mandate.

With assets under non-discretionary management with account and portfolio management, it is assumed that the client himself follows developments in the international capital markets and takes investment decisions. The client requires an account for the settlement of transactions and a custody account for the safekeeping of securities. The client is not actively offered advice.

Other advised client assets

Other advised client assets include the assets of clients with special relationships that cannot be reported either as assets under management or custody assets. In addition, assets in self-managed collective investment vehicles without discretionary portfolio management or without individual sales are also classed as other client assets.

36 Employee benefit plans

In Switzerland, Vontobel insures its employees against the financial consequences of old age, disability and death primarily through two autonomous occupational pension funds (basic fund and supplementary fund). It also operates an employee welfare fund.

The Board of Trustees is the most senior governing body of the pension funds and is composed of employee and employer representatives. Pension benefits are funded through employer and employee contributions, which amount to between 3.0 percent and 18.5 percent, or between 1.5 percent and 16.0 percent of the insured salary, depending on the age group. Upon reaching the ordinary retirement age of 64 years for women or 65 years for men, the pension funds give the insured the choice between receiving a lifelong pension and drawing part or all of their pension benefits in the form of a lump-sum payment. The annual pension is calculated on the basis of the pension assets available at the retirement date, multiplied by the applicable conversion rate. Depending on the year in which the insured was born and on the pension fund, the conversion rate at the ordinary retirement age is between 5.2 percent and 6.0 percent. The insured can take early retirement from the age of 58. Disability pensions and pensions for surviving spouses are defined as a percentage of the insured salary. The benefits and contributions are set out in the pension fund regulations, with the minimum benefits being prescribed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). In the event of a funding deficit according to the BVG, the employer can be required to pay contributions towards the restructuring of the pension fund. At the end of 2022, both pension funds had a funded status – as defined by the BVG – of over 100 percent.

The Board of Trustees of each pension fund is responsible for investing its assets. The investment strategy is defined in such a way as to enable pension benefits to be paid when they fall due.

The Swiss pension funds were set up according to the Swiss method of defined contributions but are classed as defined benefit plans under IAS 19 because both the actuarial risks and the investment risks are borne not only by the insured but also by the company.

In the case of defined benefit plans, the pension obligations and expenses are determined by actuarial appraisals prepared by outside experts according to the projected unit credit method. The appropriate calculations are performed on an annual basis. The net amount recognized in the balance sheet corresponds to the funding surplus or funding deficit of the defined benefit pension plans, taking account of any possible restrictions on the amount of a surplus that can be recognized as an asset (asset ceiling). Net interest based on the net liability or net asset of the defined benefit pension plans, the current and (due to plan amendments or plan curtailments) past service costs, the administration costs (excluding asset management costs) and the gains and losses arising from plan settlements are recorded in personnel expense. Actuarial gains and losses on pension liabilities as well as the return on plan assets and changes due to the asset ceiling (following the deduction of the sums recorded in net interest) are recognized in other comprehensive income.

The most recent actuarial calculation according to IAS 19 was carried out for these pension plans by independent experts as of April 30, 2022. Past service costs in the previous year include the impact of changes to the regulations of pension funds in Switzerland (income of CHF 15.5 million due to a reduction in conversion rates, effective January 1, 2022). There were no plan amendments in the year under review. There were no plan settlements and plan curtailments in the year under review or in the previous year.

Vontobel has foreign pension plans in Australia, Dubai, France, Hong Kong, Italy, Luxembourg, Singapore, Spain, UK and the US that are classed as defined contribution plans under IAS 19. Vontobel has individual pension commitments in Germany, for which the corresponding provisions have been recognized.

No actuarial calculations are required in order to record defined contribution plans in the balance sheet. The contributions to these types of pension plans are recorded in the income statement when the employees render the corresponding services, which is generally in the year in which the contributions are paid.

Defined benefit pension plans in Switzerland

CHF M	PENSION OBLIGATIONS	PLAN ASSETS	ASSET CEILING	TOTAL
Total at 01.01.2022	**–1,494.4**	**1,554.6**		**60.2**
Current service cost	–52.0			–52.0
Past service cost				
Gain / losses on settlement				
Interest income / (interest expense)	–0.5	0.6		0.0
Administration cost	–0.8			–0.8
Others				
Total cost recognized in personnel expense	**–53.3**	**0.6**		**–52.8**
Actuarial gains / losses on obligations				
of which changes in financial assumptions	229.5			229.5
of which changes in demographic assumptions				
of which experience adjustments	–41.5			–41.5
Return on plan assets excluding interest income		–210.1		–210.1
Change in effect of asset ceiling			–18.4	–18.4
Total cost recognized in other comprehensive income	**188.0**	**–210.1**	**–18.4**	**–40.6**
Employee contributions	–28.8	28.8		
Employer contributions		45.0		45.0
Benefits paid resp. deposited	54.6	–54.6		
Business combination	–47.4	44.4		–3.1
Others				
Total at 31.12.2022	**–1,381.4**	**1,408.6**	**–18.4**	**8.8**
of which active members	*–1,041.2*			
of which pensioners	*–340.2*			
of which reported in Other assets				*8.8*
of which reported in Other liabilities				

The component of personnel expense comprising pension and other employee benefit plans totaled CHF 57.8 M, consisting of CHF 52.8 M for defined benefit pension plans and CHF 5.1 M for defined contribution pension plans. Pension obligations and costs are presented as negative amounts.

CHF M	PENSION OBLIGATIONS	PLAN ASSETS	ASSET CEILING	TOTAL
Total at 01.01.2021	**–1,430.7**	**1,387.7**		**–43.0**
Current service cost	–46.7			–46.7
Past service cost	15.5			15.5
Gain / losses on settlement				
Interest income / (interest expense)	0.1	–0.1		0.0
Administration cost	–0.7			–0.7
Others				
Total cost recognized in personnel expense	**–31.8**	**–0.1**		**–31.9**
Actuarial gains / losses on obligations				
of which changes in financial assumptions	–20.0			–20.0
of which changes in demographic assumptions	–7.2			–7.2
of which experience adjustments	–11.6			–11.6
Return on plan assets excluding interest income		136.5		136.5
Change in effect of asset ceiling excluding interest				
Total cost recognized in other comprehensive income	**–38.9**	**136.5**		**97.7**
Employee contributions	–27.2	27.2		
Employer contributions		37.5		37.5
Benefits paid resp. deposited	34.2	–34.2		
Business combination				
Others				
Total at 31.12.2021	**–1,494.4**	**1,554.6**		**60.2**
of which active members	*–1,094.3*			
of which pensioners	*–400.1*			
of which reported in Other assets				*60.2*
of which reported in Other liabilities				

The component of personnel expense comprising pension and other employee benefit plans totaled CHF 36.6 M, consisting of CHF 31.9 M for defined benefit pension plans and CHF 4.7 M for defined contribution pension plans. Pension obligations and costs are presented as negative amounts.

Composition of plan assets

CHF M	31.12.2022	31.12.2021
Quoted market price		
Cash and cash equivalents	104.0	71.4
Equity instruments	558.3	663.0
Debt instruments	454.8	461.7
Real estate	129.4	155.0
Derivatives	3.7	10.7
Commodities	96.2	110.2
Others		0.3
Total fair value	**1,346.3**	**1,472.2**
Non-quoted market price		
Debt instruments	7.5	8.6
Real estate	46.2	62.2
Others	8.6	11.6
Total fair value	**62.3**	**82.4**
Total plan assets at fair value	**1,408.6**	**1,554.6**
of which registered shares of Vontobel Holding AG		
of which debt instruments of Vontobel		
of which credit balances with Vontobel companies	*86.4*	*67.5*
of which securities lent to Vontobel		

Maturity profile of defined benefit obligation

IN YEARS	31.12.2022	31.12.2021
Weighted average duration of defined benefit obligation	9.6	10.7

Actuarial assumptions

Demographic assumptions (e.g. probability of death, disability or termination) are based on the BVG 2020 actuarial tables (cohort life tables), which draw on observations of large insurance portfolios in Switzerland over a period of several years, and are adapted to reflect conditions specific to Vontobel or empirical values where necessary. The increase in mortality is calculated using the CMI Model. A long-term rate of change (LTR) of 1.25 percent is assumed in this context.

The discount rate is used to determine the present value of pension obligations and is based on the yields on high-quality corporate bonds in Swiss francs. A yield curve is calculated using the yields on this type of corporate bond. The individual pension obligations are discounted using the interest rate on the yield curve that applies to their duration.

In the following table, the item "Discount rate" shows the constant interest rate that would result in the same present value of pension obligations as if a discount were applied using the interest rates on the yield curve.

Actuarial assumptions

IN %	31.12.2022	31.12.2021
Discount rate	2.3	0.3
Rate of interest credit on retirement savings	2.4	0.4
Expected rate of salary increases	1.0	1.0
Expected rate of pension increases		

Estimated contributions to defined benefit pension plans in the following year

CHF M	2022	2021
Employer contributions	39.8	37.3
Employee contributions	29.2	27.0

Plan-specific sensitivities

The following overview shows the impacts of an isolated change in the main actuarial assumptions on the present value of pension obligations. The sensitivity analyses were produced in the same way as in the previous year.

CHF M	DEFINED BENEFIT OBLIGATION 31.12.2022	DEFINED BENEFIT OBLIGATION 31.12.2021
Current actuarial assumptions	1,381.4	1,494.4
Discount rate		
Reduction of 25 basis points	1,415.4	1,536.7
Increase of 25 basis points	1,349.0	1,454.9
Rate of interest credit on retirement savings		
Reduction of 25 basis points	1,369.4	1,481.3
Increase of 25 basis points	1,393.7	1,507.8
Salary increases		
Reduction of 50 basis points	1,374.5	1,485.5
Increase of 50 basis points	1,387.5	1,503.1
Life expectancy		
Reduction in longevity by one year	1,357.5	1,462.9
Increase in longevity by one additional year	1,404.6	1,525.7

37 Other employee benefits payable in the long term

Other employee benefits payable in the long term exist in the form of long service awards and sabbatical leave. As in the case of defined benefit pension plans, actuarial calculations have been performed and an accrued expense recognized for these benefits.

CHF M	31.12.2022	31.12.2021
Accrued expense for long service awards and sabbatical leaves	2.1	2.1

38 Employee share-based benefit program and other deferred compensation

Under the current share participation plan, which was introduced in spring 2004, employees can opt to receive 25 percent of their bonus in the form of bonus shares of Vontobel Holding AG at preferential terms. For bonus amounts exceeding CHF 100,000, it is mandatory for employees to take 25 percent of the bonus in the form of shares. Employees who exercise roles that are defined by the Board of Directors as special positions are required to take 33 percent of their bonus in the form of shares. In the case of members of the Executive Committee, this mandatory portion increases to 50 percent of their total bonus. These shares are awarded at a price corresponding to 80 percent of the relevant market price. The relevant market price is the average of the closing prices in the month of December of the year for which the bonus is paid. The bonus shares are blocked for three years and cannot be disposed of during that period. The fair value of bonus shares at grant date is charged as personnel expense. Employees who receive bonus shares automatically participate in the performance shares program. The right to receive performance shares depends on the performance of the business over the last three years, hence the name “performance shares”, as well as on the number of bonus shares received.

The company’s average return on equity (ROE) and the average risk profile (BIS total capital ratio) are taken into account when determining its performance. A third requirement when receiving performance shares is that they are only paid to employees who remain in an employment relationship on which notice has not been served three years after they received the bonus shares. On the balance sheet date, the expense relating to the performance share program is estimated for the entire vesting period and charged to personnel expense on a pro rata temporis basis. When determining the expense, the estimates for the return on equity, the BIS total capital ratio and the probability that employees will leave the company are updated, while the relevant share price is fixed at the time when the rights to receive performance shares are granted and is not adjusted during the vesting period. It corresponds to the fair value of the Vontobel Holding AG share at this time, less the present value of the dividends expected during the vesting period. Shares of Vontobel Holding AG held by Vontobel in connection with employee share-based benefit programs are recognized in the balance sheet position “Treasury shares” at acquisition costs. When treasury shares are allocated, they are transferred from the balance sheet item “Treasury shares” to “Capital reserve”. At the same time, the accruals related to the bonus shares are transferred to “Capital reserve”.

Blocked shares

	EMPLOYEES		MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE	
NUMBER	2022	2021	2022	2021
Holdings of blocked shares at the beginning of the year	1,200,300	1,088,230	227,355	413,196
Allocated shares and transfers (addition)	522,344	550,894	56,859	72,331
Shares for which the blocking period has lapsed	–374,197	–312,853	–131,678	–129,810
Shares of employees / members who have left the Group and transfers (reduction)	–118,683	–125,971		–128,362
Holdings of blocked shares as at the balance sheet date	**1,229,764**	**1,200,300**	**152,536**	**227,355**
Charged as personnel expense in the year under review (CHF M)	–5.3	2.1	–0.4	0.3
Charged as personnel expense in the preceding year (CHF M)	40.9	37.9	4.5	5.0
Average price of shares upon allocation (CHF)	68.05	72.55	70.45	73.31
Fair value of blocked shares as at the balance sheet date (CHF M)	75.4	95.9	9.4	18.2

Deferred compensation outstanding

Right to receive performance shares

Vontobel's compensation concept focuses on the achievement of sustained success. The awarding of performance shares is a long-term component of this compensation system. The number of shares allocated in the year under review is calculated on the basis of the number of bonus shares received for the financial year 2018 as well as the performance of the business in the years 2019 to 2021, measured in terms of the average return on equity (ROE) and the average risk profile (BIS total capital ratio). The cost per allocated share recorded as share-based compensation was CHF 48.35 The market price was CHF 68.05 on the allocation date in March 2022 and was CHF 61.30 as at the balance sheet date.

In view of expectations regarding the performance of the business (ROE and BIS total capital ratio), the calculation of the number of rights is based on the assumption that between 128 percent and 145 percent (previous year: between 128 percent and 161 percent) of the original number of bonus shares will be allocated as performance shares to eligible employees in connection with the individual programs.

If the ROE in 2023 and 2024 is 3 percentage points higher (lower) than expected due to an improvement (deterioration) in the performance of the business, between 128 percent and 152 percent (108 percent and 145 percent) of the original number of bonus shares will be granted as performance shares to eligible employees in connection with the individual programs. If the BIS total capital ratio in 2023 and 2024 is 2 percentage points higher (lower) than expected, these factors would be between 128 percent and 145 percent (128 percent and 145 percent). Further information is available at: www.vontobel.com/compensation-report. As a result, a reasonably possible deviation from the expected values would not have a significant impact on Vontobel's future personnel expense.

Performance shares and other deferred compensation

	EMPLOYEES		MEMBERS OF THE EXECUTIVE COMMITTEE	
NUMBER	2022	2021	2022	2021
Holdings of rights at the beginning of the year	1,793,561	1,305,748	187,498	369,349
Allocated rights and transfers (addition)	522,344	591,981	48,708	40,888
Recorded performance shares	–614,092	–388,029	–71,644	–109,131
Forfeited rights and transfers (reduction)	–133,211	–133,339		–180,609
Change of rights due to modified parameters	122,019	417,201	13,216	67,001
Holdings of rights as at the balance sheet date	**1,690,621**	**1,793,561**	**177,778**	**187,498**
CHF M				
Personnel expense recorded over the vesting period for recorded performance shares	29.7	21.1	3.9	5.9
Market value of recorded performance shares on the allocation date	41.8	28.2	5.2	7.9
Charged as personnel expense in the year under review	34.8	34.3	3.7	2.1
Cumulative charge to personnel expense for outstanding rights to performance shares as at the balance sheet date	53.8	50.6	5.8	5.5
Estimated personnel expense for the remaining vesting periods including future terminations	35.2	40.8	3.6	3.9
Estimated personnel expense for the remaining vesting periods excluding future terminations	40.4	47.1	4.1	4.5
Other deferred compensation as at the balance sheet date				
In cash	9.9	11.9		
Share-based compensation benefits	34.2	29.8		

39 Compensation of governing bodies

The governing bodies of Vontobel comprise the members of the Board of Directors of Vontobel Holding AG and the members of the Executive Committee. Additional information about the current members of governing bodies can be found in the Corporate Governance section of this Annual Report. The compensation paid to this group of people is listed below. Further information can be found in the Vontobel Compensation Report commencing on page 53.

Compensation is recognized in the financial year in which it is accrued. It is thus reported according to the accrual principle, irrespective of cash flows. This does not include expense related to performance shares and other deferred compensation, which is recorded during the vesting period. However, once the vesting conditions have been met, the allocation of shares is shown at the point in time when the performance shares are transferred to employees.

Compensation of the members of the Board of Directors of Vontobel Holding AG and Bank Vontobel AG for the financial year

	2022	2021	CHANGE TO 2021	
	CHF M	CHF M	CHF M	IN %
Short-term employee benefits	2.6	2.6	0.0	0
Post-employment benefits	0.1		0.1	
Other long-term benefits				
Termination benefits				
Equity compensation benefits[1]	1.7	1.8	–0.0	0
Total mandate-related compensation for the financial year[2]	**4.5**	**4.4**	**0.1**	**2**
Compensation for additional services				
Total compensation for the financial year	**4.5**	**4.4**	**0.1**	**2**

1 The members of the Board of Directors received a total of 34,493 (previous year: 28,353) shares of Vontobel Holding AG as part of their compensation for the year under review. None of those shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
2 Excluding flat-rate compensation for expenses and employer contributions to AHV / IV / ALV

Compensation of the members of the Executive Committee for the financial year

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Base salary	3.0	3.0	–0.0	0
Other short-term employee benefits [1]	0.0	1.2	–1.2	–100
Cash component of bonus [2]	1.6	4.0	–2.4	–60
Post-employment benefits	0.5	0.5	0.1	20
Other long-term benefits				
Termination benefits				
Equity compensation benefits bonus shares [2,3]	1.6	3.0	–1.4	–47
Total contract-related compensation for the financial year [4]	**6.7**	**11.7**	**–5.0**	**–43**
Compensation for additional services				
Total compensation for the financial year [5]	**6.7**	**11.7**	**–5.0**	**–43**
Number of persons receiving compensation	4	5	–1	–20

1 Other short-term employee benefits comprise claim payments, family allowance payments, preferential interest rates for mortgages and a lump-sum death benefit to a former member of the Executive Committee.
2 Financial year 2022: Subject to the approval of the General Meeting of Shareholders 2023
3 A total of 33,262 (previous year: 47,111) Vontobel Holding AG shares were allocated to members of the Executive Committee. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
4 Excluding flat-rate compensation for expenses and employer contributions to AHV / IV / ALV.
5 The expense relating to performance shares is not included in “Total compensation for the financial year”. The allocation of performance shares is shown separately in the table “Allocation of shares from the long-term employee share-based benefit program” included below.

Allocation of shares from the long-term employee share-based benefit program

	2022 CHF M OR NUMBER	2021 CHF M OR NUMBER	CHANGE TO 2021 CHF M OR NUMBER	CHANGE TO 2021 IN %
Market value of performance shares at the date on which they were allocated in CHF M [1]	4.9	3.3	1.6	48
Number of performance shares allocated	71,645	45,178	26,467	59
Total number of persons receiving compensation	**2**	**2**		
Market value of performance shares to former members of the Executive Committee at the date on which they were allocated in CHF M	*6.6*	*6.2*	*0.4*	*6*
Number of performance shares allocated to former members of the Executive Committee	*97,381*	*85,856*	*11,525*	*13*
Number of persons receiving compensation (former members of the Executive Committee)	*4*	*5*	*–1*	*–20*

The allocated performance shares are a long-term component of the compensation system and, as such, are not included in the previous table “Compensation for the financial year”. Instead, they are shown separately in this table.
1 In accordance with the relevant IFRS rules the cost recorded as equity compensation benefits was CHF 3.8 M (previous year: CHF 2.5 M) and was included on a pro rata basis over the vesting period.

40 Loans to members of governing bodies, major shareholders and related parties

Loans to members of Vontobel's governing bodies and to significant shareholders and the persons and companies related to them may only be granted in accordance with the generally recognized principles of the banking industry. Governing body members are generally treated like employees, particularly with regard to terms and conditions for loans. Loans to members of governing bodies must be approved by the Board of Directors in addition to the bodies responsible for the authorization of loans to employees.

As of December 31, 2022, margin calls fully secured against collateral, guarantees, loans and credits to – and payment undertakings in favor of – members of Vontobel's governing bodies or related parties and significant shareholders totaling CHF 0.3 million (previous year: CHF 0.5 million) were outstanding. No loans to former members of the Board of Directors or members of the Executive Committee were outstanding that were not granted according to standard terms and conditions.

Vontobel has granted mortgage loans to members of its governing bodies and to employees since 1 October 2016. It provides mortgage loans to them at a preferential interest rate of up to 1 percent below the usual interest rate for a maximum loan amount of CHF 1 million per borrower. In addition, as part of a transitional arrangement, Vontobel provides the same terms and conditions in the case of existing mortgage loans to members of its governing bodies and employees from selected third-party banks until maturity. Vontobel does not assume any credit risks or other obligations in this context.

The members of the Board of Directors and the Executive Committee conduct routine banking transactions with Vontobel at the same terms and conditions as employees.

41 Transactions with related parties

Companies and persons are deemed to be related parties if one side is able to control the other or exert a substantial influence on the other's financial or operational decisions.

Transactions with related companies and persons

	31.12.2022	31.12.2021	CHANGE TO 31.12.2021	
	CHF M	CHF M	CHF M	IN %
Receivables	0.2	0.5	–0.3	–60
Liabilities	142.4	160.0	–17.5	–11

Reported liabilities consist of current account balances of related companies / persons as well as liabilities from financial hedging transactions. Transactions with related persons are essentially carried out according to standard terms and conditions.

Vontobel Foundation and other members of the shareholder pool
The Vontobel Foundation conducts business with Bank Vontobel AG at preferential terms and conditions.

Pension funds of Vontobel
The assets of these pension funds are managed by Vontobel Asset Management AG.

42 Acquisition of UBS Swiss Financial Advisers AG

Vontobel acquired 100 % of UBS Swiss Financial Advisers AG (SFA), which is headquartered in Zurich, as well as the lombard loans and mortgages of SFA clients, from UBS, effective August 1, 2022. Vontobel will carry out the legal and operational combination of that company, which has been renamed Vontobel SFA, and Vontobel Swiss Wealth Advisors AG (VSWA), the existing business serving North American wealth management clients, by the end of the first half of 2023.

The assets and liabilities of UBS Swiss Financial Advisers AG and the loans of SFA clients were included in Vontobel's statement as follows:

CHF M	
Assets	
Cash	198.6
Due from banks	258.2
Loans	432.2
Intangible assets (without goodwill)	50.7
Goodwill	50.0
Other assets	4.7
Total assets	**994.4**
Liabilities and equity	
Due to banks	0.7
Customer deposits	421.6
Other liabilities	20.5
Equity	551.6
Total liabilities and equity	**994.4**
Acquisition costs	551.6
of which paid in cash	*554.9*
of which recognizes as an asset (Earn out)	*3.3*
Acquired cash and cash equivalents	456.8
Net inflow of cash and cash equivalents	98.1

Intangible assets (excluding goodwill) comprise SFA client relationships (CHF 37.3 million) as well as a cooperation agreement concluded with UBS (CHF 13.4 million). Under the terms of this agreement, UBS advisors in the US will refer their US clients seeking an account in Switzerland for diversification purposes exclusively to their partner Vontobel SFA. The fair value of these two intangible assets was determined using the multi-period excess earnings method. These are level 3 valuations in the fair value hierarchy. The intangible assets will be depreciated over 10 years. With the exception of goodwill (residual amount), the other assets and liabilities consist almost exclusively of level 1 or 2 valuations in the fair value hierarchy.

Goodwill is primarily attributable to synergies on the cost side as well as future growth opportunities. For the purpose of impairment testing, the goodwill was allocated to the Wealth Management USA & Canada division and was tested for impairment for the first time in the second half of 2022 (see note 18 "Goodwill and other intangible assets" for details).

The inclusion of SFA in Vontobel's consolidated financial statements, taking account of the depreciation of intangible assets but excluding the following integration and transaction costs, led to an increase in operating income of CHF 13.9 million and an increase in Group net profit of CHF 0.8 million in the financial year 2022. If the transaction had taken place on January 1, 2022, this would – all other things being equal – have resulted in operating income of CHF 1,306.5 million and Group net profit of CHF 231.9 million. Costs of CHF 4.3 million were charged to the 2022 income statement for the integration of SFA. These integration costs mainly consist of costs for consulting and IT costs. The transaction costs totaled CHF 0.9 million.

43 Significant foreign currency rates

The following rates were used for significant currencies:

	YEAR END RATES		AVERAGE RATES	
	31.12.2022	31.12.2021	2022	2021
1 EUR	0.98742	1.03616	1.00463	1.07949
1 GBP	1.11292	1.23411	1.17756	1.25398
1 USD	0.92520	0.91115	0.95060	0.91240

44 Events after the balance sheet date

In January 2023, Marketing, which was previously part of the Marketing & Analytics Center of Excellence, was integrated into the Asset Management, Wealth Management und Digital Investing Client Units. Beginning with the Half-Year Report 2023, the segment reporting will show the results of the Client Units according to the new set-up.

No events have occurred since the balance sheet date that affect the relevance of the information provided in the year 2022 financial statements and would therefore need to be disclosed.

45 Dividend payment

The Board of Directors will propose the payment of a dividend of CHF 3.00 per registered share with a par value of CHF 1.00 to the General Meeting of Shareholders of Vontobel Holding AG on April 4, 2023. This corresponds to a total distribution of CHF 168.0 million.[1]

1 Shares entitled to a dividend as of December 31, 2022.

46 Authorization of the consolidated accounts

The Board of Directors discussed and approved the present Annual Report at its meeting on February 3, 2023. The Annual Report will be submitted for approval at the General Meeting of Shareholders on April 4, 2023.

Segment reporting

47 Segment reporting principles

Segment reporting reflects the organizational structure of Vontobel as well as internal reporting to the Executive Committee – Vontobel's chief operating decision maker – which is advised and supported by the Global Executive Board. This reporting forms the basis for the assessment of the financial performance of the segments and the allocation of resources to the segments.

Vontobel comprises three Client Units and seven Centers of Excellence.

The Client Units serve the following client groups and client needs:

- The Asset Management Client Unit focuses primarily on institutional clients such as pension funds, insurance companies and sovereign wealth funds, as well as third-party banks in the wholesale fund business.
- The Wealth Management Client Unit serves wealthy private clients (including UHNWIs), financial intermediaries, entrepreneurs and decision makers from the SME segment.
- The Digital Investing Client Unit bundles investment solutions for private investors, either directly or via ecosystems, and it also concentrates on the end-clients business with structured products.

All activities that are not directly related to client contact are bundled within the following Centers of Excellence: Investments, Structured Solutions & Treasury, Technology & Services, Marketing & Analytics, Finance & Risk, Human Resources and Legal & Compliance.

Direct costs are allocated to the Client Units and Centers of Excellence. Services provided between the individual units are not subject to charges. Income taxes are managed at Group level and are therefore not assigned to the Client Units and Centers of Excellence.

The Client Units represent the operating and reportable segments according to IFRS 8. Centers of Excellence and reclassifications are shown in the column "Centers of Excellence / Reconciliation". Segment reporting is basically subject to the same accounting principles as the consolidated financial statements.

Segment reporting

CHF M	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	2022 TOTAL
Net interest and dividend income	0.3	116.2	1.6	–16.7	101.4
Net fee and commission income	457.6	422.3	–11.7	–34.3	833.8
Trading income and other operating income	–1.2	107.4	195.8	47.9	349.9
Total operating income	**456.6**	**645.8**	**185.7**	**–3.1**	**1,285.1**
Personnel expense	63.4	196.0	9.4	387.1	655.9
General expense	14.9	28.4	6.9	198.1	248.2
Depreciation of property, equipment (incl. software) and intangible assets	3.0	9.5	0.1	90.6	103.3
Provisions and losses	0.6	3.2	0.0	6.6	10.4
Total operating expense	**81.9**	**237.0**	**16.4**	**682.4**	**1,017.7**
Profit before taxes	**374.7**	**408.9**	**169.3**	**–685.5**	**267.4**
Taxes					37.5
Group net profit					**229.8**
of which minority interests					
Additional information					
Client assets (CHF B)	119.3	93.2	0.5	41.6	254.6
Net new money (CHF B)	–10.6	5.4	–0.0	–0.0	–5.2
Employees (full-time equivalents)	177.1	663.6	45.8	1,327.9	2,214.4

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	2022 TOTAL
Operating income related to external customers	795.2	280.3	73.7	135.8		1,285.1
Assets	22,581.4	2,925.9	89.3	9,151.1	–4,238.5	30,509.2
Property, equipment and intangible assets	935.6	72.9	2.5	2.5		1,013.6
Additions to property, equipment (incl. software) and intangible assets[3]	192.7	4.5	0.6	2.0		199.8

1 Reporting is based on operating locations.
2 Mainly United Arab Emirates
3 Including additions due to changes in the scope of consolidation

Segment reporting

CHF M	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	2021 TOTAL
Net interest and dividend income	–0.3	50.9	0.5	10.2	61.3
Net fee and commission income	592.6	432.1	–11.5	–38.4	974.8
Trading income and other operating income	1.8	150.7	326.9	20.0	499.5
Total operating income	**594.1**	**633.7**	**315.9**	**–8.1**	**1,535.6**
Personnel expense[1]	82.3	202.7	10.9	438.8	734.7
General expense	12.4	16.3	1.6	195.0	225.4
Depreciation of property, equipment (incl. software) and intangible assets	3.9	8.0	0.0	88.5	100.4
Provisions and losses	0.0	5.2	0.0	2.6	7.9
Total operating expense	**98.7**	**232.3**	**12.5**	**725.0**	**1,068.4**
Profit before taxes	**495.4**	**401.5**	**303.4**	**–733.1**	**467.2**
Taxes					83.4
Group net profit					**383.8**
of which minority interests					*10.0*
Additional information					
Client assets (CHF B)	158.7	96.3	0.8	41.0	296.8
Net new money (CHF B)	1.9	5.6	0.1	0.6	8.1
Employees (full-time equivalents)	180.8	609.1	34.2	1,285.2	2,109.3

1 Personnel expense includes income of CHF 15.5 M from changes in pension fund regulations in Switzerland, which was allocated to the individual Client Units and Centers of Excellence in proportion to their headcount. In connection with the full acquisition of TwentyFour Asset Management LLP, an expense of CHF 24.6 M is included in personnel expense in the column “Centers of Excellence/Reconciliation”.

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	2021 TOTAL
Operating income related to external customers	892.0	374.2	105.4	164.0		1,535.6
Assets	23,412.2	3,352.6	122.4	10,182.1	–4,671.4	32,397.9
Property, equipment and intangible assets	837.6	80.5	4.3	2.0		924.4
Additions to property, equipment (incl. software) and intangible assets[3]	111.2	4.1	0.6	1.6		117.5

1 Reporting is based on operating locations.
2 Mainly United Arab Emirates
3 Including additions due to changes in the scope of consolidation

Scope of consolidation

48 Subsidiaries and associated companies

Major subsidiaries

	REGISTERED OFFICE	BUSINESS ACTIVITY	CURRENCY	PAID-UP SHARE CAPITAL M	SHARE OF VOTES AND CAPITAL IN %
Vontobel Holding AG	Zurich	Holding	CHF	56.9	Parent company
Vontobel Beteiligungen AG	Zurich	Holding	CHF	10.0	100
Bank Vontobel AG	Zurich	Bank	CHF	149.0	100
Bank Vontobel Europe AG	Munich	Bank	EUR	40.5	100
Vontobel Swiss Wealth Advisors AG	Zurich	Wealth management	CHF	0.5	100
Vontobel Swiss Financial Advisers AG	Zurich	Wealth management	CHF	3.5	100
Vontobel Wealth Management (Hong Kong) Ltd.	Hong Kong	Wealth management	HKD	280.0	100
Vontobel Wealth Management Società di Intermediazione Mobiliare S.p.A.	Milan	Wealth management	EUR	5.0	100
Vontobel Fonds Services AG	Zurich	Fund management	CHF	4.0	100
Vontobel Asset Management AG	Zurich	Portfolio management	CHF	20.0	100
Vontobel Asset Management S.A.	Luxembourg	Fund & Portfolio management	EUR	2.6	100
Vontobel Asset Management UK Holdings Ltd.	London	Holding	GBP	26.0	100
TwentyFour Asset Management LLP	London	Portfolio management	GBP	4.4	100
Vontobel Asset Management, Inc.	New York	Portfolio management	USD	6.8	100
Vontobel Asset Management Asia Pacific Limited	Hong Kong	Financial Advisor	HKD	7.0	100
Vontobel Asset Management Pte. Ltd.	Singapore	Holding	SGD	0.3	100
Vontobel Asset Management Australia Pty. Ltd.	Sydney	Portfolio management	AUD	1.0	100
Vontobel Securities AG	Zurich	Brokerage	CHF	2.0	100
Vontobel Financial Products GmbH	Frankfurt	Issues	EUR	0.05	100
Vontobel Financial Products Ltd.	Dubai	Issues	USD	2.0	100
Vontobel Pte. Ltd.	Singapore	Services for EAMs/ Distribution deritrade®/ Financial Advisor	SGD	0.3	100
Vontobel Limited	Hong Kong	Brokerage	HKD	25.0	100

The share of voting rights held corresponds to the equity interest held.
Only the shares of Vontobel Holding AG are listed on the Swiss Exchange (SIX). Please see pages 10 and 251 for more detailed information.
In the case of regulated subsidiaries, part of the capital is not available for dividends or transfers due to regulatory requirements (e.g. Basel III). These restrictions do not have any material impact on Vontobel's activities.

Associated companies

	REGISTERED OFFICE	BUSINESS ACTIVITY	CURRENCY	PAID-UP SHARE CAPITAL M	SHARE OF VOTES IN %	CAPITAL IN %
Deutsche Börse Commodities GmbH	Frankfurt	Issues	EUR	1.0	14.5	16.2
Yapeal AG	Zurich	Digital financial service provider	CHF	0.7	2.3	13.9

Companies fully consolidated for the first time

COMPANY	REGISTERED OFFICE	BUSINESS ACTIVITY	CURRENCY	PAID-UP SHARE CAPITAL M	SHARE OF VOTES AND CAPITAL IN %
Vontobel Swiss Financial Advisers AG	Zurich	Wealth management	CHF	3.5	100

49 Changes in the scope of consolidation

Vontobel acquired 100 % of UBS Swiss Financial Advisers AG, which is headquartered in Zurich, effective August 1, 2022. The entity was renamed Vontobel Swiss Financial Advisers AG (see note 42).

50 Unconsolidated structured entities

As an active asset manager, Vontobel manages a wide range of collective investment instruments. Vontobel's investment funds are classed as structured entities according to IFRS 12. Since Vontobel – as agent – acts primarily in the interests of investors, the investment funds are not consolidated. Shares of its proprietary investment funds are treated as financial instruments. There are no contractual or constructive obligations to provide financial or other forms of support for the investment funds.

Under the terms of the relevant investment regulations, Vontobel manages the fund assets on behalf of the investors who invested capital in the respective investment funds. Vontobel also performs various administrative functions for the investment funds. Vontobel receives fees for providing these services; the level of fees is in line with normal market rates. As of December 31, 2022, the volume of assets in Vontobel investment funds totaled CHF 52.9 billion (previous year: CHF 71.9 billion). In the financial year 2021, Vontobel generated gross income of CHF 504.5 million (previous year: CHF 603.2 million) from the provision of services to these investment funds.

The following table shows the carrying amount of the shares of these investment funds held by Vontobel. The carrying amount corresponds to the maximum potential loss.

CHF M	TRADING PORTFOLIO ASSETS	OTHER FINANCIAL ASSETS AT FAIR VALUE	TOTAL
Carrying amount as of 31.12.2021	4.2	27.7	31.9
Carrying amount as of 31.12.2022	**2.3**	**25.7**	**28.0**

Accounting differences

51 Main differences between IFRS and Swiss GAAP

Vontobel's consolidated financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS). The main differences between IFRS and Swiss GAAP (Banking Ordinance, FINMA Accounting Ordinance and FINMA Circular 20/01) that are of relevance to Vontobel are as follows:

Financial investments
The financial instruments included in financial investments are carried at fair value under IFRS. In the case of equity instruments, dividends are recognized in the income statement and all other income components are recognized in other comprehensive income. Realized gains and losses are not transferred to the income statement. In the case of debt instruments, changes in fair value are recognized in other comprehensive income. The change in expected credit losses is shown in the income statement, with the offsetting entry made in other comprehensive income. If a debt instrument is sold, the expected credit losses and cumulative changes in fair value are transferred from other comprehensive income to the income statement. Interest is accrued in the period in which it is earned using the effective interest method and recognized in the income statement. Under Swiss GAAP, equity instruments are classed as participations and are recognized at cost less economically necessary valuation adjustments. Debt instruments are valued according to the lower of cost or market principle. Interest income and dividend income, changes in the carrying amount and realized gains and losses are recognized through profit or loss.

Other financial liabilities measured at fair value through profit and loss (fair value option)
Under IFRS, Vontobel applies the fair value option for issued products. They are carried at fair value in the balance sheet, and income is recognized in the income statement on an ongoing basis. The impact of the change in own credit risk of financial liabilities, for which the fair value option is applied, is generally recorded in other comprehensive income. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, the corresponding impact is recorded in profit or loss. This is the case at Vontobel. Under Swiss GAAP, the fair value option can also be applied for these positions. Under Swiss GAAP, changes in fair value due to a change in own credit risk are recorded in the compensation account.

Goodwill
IFRS stipulates that goodwill cannot be amortized and must, instead, be tested for impairment at least once annually. Under Swiss GAAP, goodwill is amortized on a straight-line basis over five years. In justified cases, the amortization period can be a maximum of 10 years.

Fair value hedges
Vontobel uses interest rate swaps to hedge the fair value of mortgages (see note 33). Under IFRS, the change in fair value of interest rate swaps is recognized in the income statement. The change in the fair value of hedged mortgages due to the hedged risk leads to an adjustment in the carrying amount of the corresponding mortgages and is also recognized in the income statement. Under Swiss GAAP, the change in fair value of the effective portion of interest rate swaps is recognized in the compensation account. The carrying amount of the hedged mortgages is not adjusted.

Leases
Under IFRS, at the lease commencement date, Vontobel, as lessee, recognizes a lease liability corresponding to the present value of lease payments over the lease term. At the same time, a right to use the underlying asset, which corresponds to the lease liability plus prepaid lease payments, directly attributable costs and costs for any reinstatement obligations, is capitalized.

After initial recognition, the interest component on the lease liability is accrued in the period in which it is incurred using the effective interest method. The lease liability is adjusted to reflect interest recognized and lease payments made. The right-of-use asset is depreciated on a straight-line basis over the lease term.

Under Swiss GAAP, operating lease expenses are charged to the income statement in the period in which they are incurred.

Pension funds
Under IFRS, pension obligations and pension expenses are determined based on the projected unit credit method (see note 36).

Under Swiss GAAP, pension obligations and pension expenses are determined based on the financial statements of the pension plan. A pension asset is recorded if a statutory overfunding of a pension plan leads to a future economic benefit. A pension obligation is recorded if a statutory underfunding of a pension plan leads to a future economic obligation. Employer contributions as well as changes in the value of the pension assets or obligations are recognized as pension expenses.

Extraordinary profit
Under IFRS, all items of income and expense are allocated to ordinary operating activities. Under Swiss GAAP, items of income and expense are classified as extraordinary if they are not recurring and are not related to operating activities.

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2023

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Vontobel Holding AG (the Company) and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements (pages 128 to 223) give a true and fair view of the consolidated financial position of the Group as at 31 December 2022 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond

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to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Fair value of financial instruments

Area of focus	Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair values can be based on quoted prices in active markets (level 1) or on a valuation model where significant input parameters can be observed directly or indirectly in the market (level 2), or on a valuation model where significant input parameters cannot be observed in the market (level 3). Valuations based on models are influenced to a significant extent by the assumptions applied, including interest rates, forward rates and swap rates, spread curves, volatility and estimates of future cash flows. The determination of these assumptions involves the exercise of significant judgment. In its consolidated balance sheet as of 31 December 2022, Vontobel Holding AG reports total financial assets at fair value of CHF 15.1 billion and financial liabilities at fair value of CHF 12.0 billion. In view of the inherent exercise of judgment involved in the determination of these assumptions and the significance of these balance sheet items in the consolidated financial statements of Vontobel Holding AG, their valuation is of particular importance from an audit perspective. The corresponding accounting principles applied are explained by Vontobel Holding AG on pages 137 to 138 and 184 to 189 of the annual report. Please also refer to notes 13, 14 and 29 of the notes to the consolidated financial statements.
Our audit response	Our audit procedures included an evaluation of the design and the operational effectiveness of relevant key controls over the calculation of fair value. In particular, they comprised the approval processes for products and valuation models, as well as the independent price verification. Using comparisons with third-party sources, we tested the fair values that were directly available in an active market. Furthermore, we performed procedures to evaluate the assumptions used and tested the valuation of financial instruments using independent valuation models. Based on a sample we reperformed the valuation of financial instruments. Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.

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Goodwill and other intangible assets	
Area of focus	Vontobel Holding AG accounts for business combinations using the acquisition method, whereby the net assets of the acquired business are measured at the fair value of the consideration at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, goodwill is recognized and assigned to one or more cash-generating units. Goodwill is tested annually for impairment or more frequently if indicators of impairment are present. The valuation of net assets acquired that is carried out in connection with the acquisition of a subsidiary, the allocation of goodwill acquired to cash-generating units, and the recoverable value that is determined as part of the impairment test, are influenced to a significant extent by the assumptions that are used, the determination of which involves the exercise of significant judgment. The client relationships and brands acquired during business combinations are recognized as other intangible assets and depreciated over their estimated useful life. If events or circumstances indicate that the carrying amount may be impaired, an impairment test is carried out. The fair values of these intangible assets are determined on the basis of valuation methods that use various input parameters that cannot be observed. The determination of these input parameters and the estimation of useful life involve the exercise of significant judgment. In its consolidated balance sheet as of 31 December 2022, Vontobel Holding AG reports goodwill totaling CHF 528.5 million and other intangible assets totaling CHF 101.1 million. Due to the judgment that goes into the identification and the valuation of goodwill and other intangible assets this is an area of particular importance from an audit perspective. The corresponding accounting principles applied are explained by Vontobel Holding AG on pages 136 and 138 of the annual report. Please also refer to note 18 of the notes to the consolidated financial statements.
Our audit response	During the course of our audit, we examined the valuation model used for the goodwill impairment test as well as significant assumptions. In particular, they comprised valuation multipliers related to assets under management. We assessed these assumptions on the basis of current market conditions. Our audit procedures did not lead to any reservations concerning the recognition and measurement of goodwill and other intangible assets.

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Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the consolidated financial statements

The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Andreas Blumer (Qualified Signature)	Philipp Müller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Vontobel Holding AG

Additional information

Review of business activities

Vontobel Holding AG, which is headquartered in Zurich, generated a net profit of CHF 298.6 million in the financial year 2022, compared to CHF 168.4 million in the prior year. The significant increase in profit of 77 percent was primarily attributable to higher dividend income from participations, which rose by 87 percent from CHF 182.3 million in 2021 to CHF 340.9 million. The holding company's income mainly stems from prior-year profits, i.e., dividends distributed by its operational subsidiaries in Switzerland and abroad. In view of the extremely successful financial year 2021, some subsidiaries substantially increased their distributions to Vontobel Holding AG in 2022. Income from securities, commission and trading rose by 17 percent to CHF 54.7 million in the year under review. Operating income subsequently increased by 71 percent to CHF 395.8 million in 2022, while personnel and general expense rose by 15 percent to CHF 52.9 million.

The 117 percent increase in interest income to CHF 9.2 million reflects the general rise of interest rates.

Financial expense increased by 23 percent to CHF 16.5 million (2021: CHF 13.5 million). This includes the annual interest payment from the CHF 450 million Additional Tier 1 (AT1) bond with a coupon of 2.625 percent issued by Vontobel Holding AG in June 2018 to partially finance the acquisition of Notenstein La Roche Privatbank AG. In addition, impairments on foreign participations in the amount of CHF 23.7 million were recognized in 2022, compared to CHF 8.2 million in 2021.

Vontobel Holding AG reported shareholders' equity of CHF 1,249.8 million as of December 31, 2022 (December 31, 2021: CHF 1,101.6 million). The company's share capital was unchanged at CHF 56.875 million, consisting of 56,875,000 registered shares with a par value of CHF 1.00 each. Of this total, 55,994,132 shares were entitled to a dividend as of the balance sheet date.

The Board of Directors of Vontobel Holding AG will propose the distribution of an unchanged dividend of CHF 3.00 per registered share to the General Meeting of Shareholders of April 4, 2023.

Key figures

Key figures

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Net profit	298.6	168.4	130.2	77
Net profit per registered share in CHF [1]	5.33	3.01	2.32	77
Dividend in percent of share capital [2]	300	300	0	
Dividend per registered share in CHF [2]	3.00	3.00	0.00	
Shareholders' equity (before distribution of profits) at balance sheet date	1,249.8	1,101.6	148.2	13
Shareholders' equity per registered share in CHF at balance sheet date [1]	22.32	19.71	2.61	13
Average return on equity in %	27.4	16.1		
Operating income	395.8	231.6	164.2	71
Dividend income from participations	340.9	182.3	158.6	87
Personnel and general expense	52.9	46.1	6.8	15
Depreciation and valuation adjustments	23.5	8.0	15.5	194
Financial expense	16.5	13.5	3.1	23
Operating income before taxes	305.6	171.0	134.7	79

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	CHANGE TO 31.12.2021 IN %
Total assets	2,045.2	2,099.5	–54.4	–3
Share capital	56.9	56.9	0.0	
Debt issued	450.0	450.0		
Participations	1,829.0	1,731.1	97.9	6

1 Basis: dividend-bearing shares at end of year
2 Financial year 2022: As per the proposal submitted to the General Meeting of Shareholders

Income statement

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	IN %
Dividend income from participations	340.9	182.3	158.6	87
Securities income, fee and commission income and trading income	54.7	46.8	7.9	17
Other ordinary income	0.0	0.1	–0.1	–100
Gains on the sale of financial investments	0.2	2.4	–2.2	–92
Operating income	**395.8**	**231.6**	**164.2**	**71**
Securities and fee and commission expense	0.3	0.3	0.0	0
Other ordinary expense	9.2	0.0	9.2	
Operating expense	**9.5**	**0.3**	**9.2**	
Net operating income	**386.2**	**231.2**	**155.0**	**67**
Personnel costs	5.8	6.6	–0.8	–12
Employee benefits and pension fund	0.6	0.6	0.0	0
Personnel expense	**6.5**	**7.3**	**–0.8**	**–11**
Occupancy expense, furniture and equipment	0.3	0.3	0.0	0
PR, marketing, annual report, consulting and audit fees	24.1	36.9	–12.9	–35
Other business and office expenses	22.1	1.6	20.4	
General expense	**46.4**	**38.8**	**7.6**	**20**
Operating income before financial income, taxes, depreciation and valuation adjustments	**333.4**	**185.2**	**148.2**	**80**
Depreciation of property and equipment	0.6	0.6	–0.0	0
Impairments on participations	23.7	8.2	15.5	189
Reversal of impairments on participations	0.8	0.8	–0.0	0
Depreciation and valuation adjustments	**23.5**	**8.0**	**15.5**	**194**
Operating income before financial income and taxes	**309.9**	**177.2**	**132.7**	**75**

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Operating income before financial income and taxes	**309.9**	**177.2**	**132.7**	**75**
Interest income	9.2	4.2	4.9	117
Interest income, Group companies	*9.2*	*4.2*	*5.0*	*119*
Interest income, other	*0.0*	*0.0*	*–0.0*	
Foreign exchange income	3.2	3.0	0.2	7
Financial income	**12.3**	**7.2**	**5.1**	**71**
Interest expense	16.5	13.5	3.1	23
Interest expense, Group companies	*4.7*	*1.6*	*3.1*	*194*
Interest expense, debt issued	*11.8*	*11.8*		
Financial expense	**16.5**	**13.5**	**3.1**	**23**
Operating income before taxes	**305.6**	**171.0**	**134.7**	**79**
Non-operating income	0.0	0.0	–0.0	
Ordinary income before taxes	**305.6**	**170.9**	**134.7**	**79**
Extraordinary / one-off income or income unrelated to the reporting period	0.3	0.4	–0.1	–25
Extraordinary / one-off expense or expense unrelated to the reporting period [1]	5.1	0.0	5.1	
Extraordinary / one-off income and income unrelated to the reporting period	**–4.9**	**0.4**	**–5.2**	
Net profit for the year before taxes	**300.8**	**171.3**	**129.5**	**76**
Direct taxes	**2.2**	**2.9**	**–0.7**	**–24**
Net profit for the year	**298.6**	**168.4**	**130.2**	**77**

1 In the year under review, extraordinary expense, one-off expense or expense unrelated to the accounting period includes costs arising from the review and refinement of the Group contribution (CHF 4.4 M) as well as intellectual property rights (CHF 0.6 M) from the prior year.

Balance sheet

Assets

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Current assets				
Total cash and short-term holdings of assets with a market price	0.7	1.8	–1.1	–61
Current accounts banks, Group companies	*0.7*	*1.8*	*–1.1*	*–61*
Other short-term receivables	8.7	127.4	–118.8	–93
Due from Group companies, other	*7.0*	*40.7*	*–33.7*	*–83*
Other short-term receivables	*1.7*	*86.7*	*–85.0*	*–98*
Accrued income and deferred expenses	0.9	2.0	–1.1	–55
Total current assets	**10.3**	**131.3**	**–120.9**	**–92**
Non-current assets				
Financial assets, Group companies	205.9	236.5	–30.7	–13
Participations	1,829.0	1,731.1	97.9	6
Total fixed assets		0.6	–0.6	–100
Total intangible assets	0.0	0.0	0.0	
Total non-current assets	**2,034.9**	**1,968.3**	**66.6**	**3**
Total assets	**2,045.2**	**2,099.5**	**–54.4**	**–3**
of which subordinated assets due from Group companies	*7.0*	*4.0*	*3.0*	*75*

Liabilities and Shareholders' equity

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Liabilities				
Current liabilities				
Short-term interest-bearing liabilities	310.4	515.8	–205.4	–40
Due to banks, Group companies	*310.4*	*515.8*	*–205.4*	*–40*
Other short-term liabilities	3.5	4.7	–1.3	–28
Accrued expenses and deferred income	6.6	2.5	4.2	168
Total current liabilities	**320.5**	**523.0**	**–202.5**	**–39**
Long-term liabilities				
Long-term interest-bearing liabilities	450.0	450.0		
Debt issued	*450.0*	*450.0*		
Provisions	25.0	25.0		
Total long-term liabilities	**475.0**	**475.0**		
Total liabilities	**795.5**	**998.0**	**–202.5**	**–20**
Shareholders' equity				
Share capital	56.9	56.9	0.0	0
Statutory capital reserve	0.8	0.8		
Reserves from capital contributions	*0.8*	*0.8*		
Statutory retained earnings	88.9	80.4	8.5	11
General statutory retained earnings	*32.2*	*32.2*		
Reserves for treasury shares	*56.7*	*48.2*	*8.5*	*18*
Voluntary retained earnings	1,160.5	1,040.0	120.5	12
Retained earnings approved by resolution	*23.3*	*1.8*	*21.5*	
Retained earnings brought forward	*838.5*	*869.9*	*–31.3*	*–4*
Net profit for the year	*298.6*	*168.4*	*130.2*	*77*
Own shares of capital	–57.3	–76.5	19.2	25
Total shareholders' equity	**1,249.8**	**1,101.6**	**148.2**	**13**
Total liabilities and shareholders' equity	**2,045.2**	**2,099.5**	**–54.3**	**–3**

Notes to the financial statements

Name, legal form and domicile of the company
Vontobel Holding AG, Zurich

The nominal capital amounts to CHF 56.875 million, consisting of 56.875 million registered shares with a par value of CHF 1.00 each (previous year: nominal capital of CHF 56.875 million, 56.875 million registered shares).

Easing of requirements for the notes to the separate financial statements of Vontobel Holding AG
Vontobel prepares its consolidated financial statements in accordance with the International Financial Reporting Standards (IFRS), which are published by the International Accounting Standards Board (IASB). Consequently, Vontobel Holding AG is exempt from numerous disclosure requirements in the statutory separate financial statements.

Applied accounting principles

General principles
The accounting principles are based on the requirements set out in the Swiss Code of Obligations.

Transactions concluded as of the balance sheet date are recorded on a daily basis. Spot transactions concluded but not yet settled as of the balance sheet date are recognized according to the trade date principle. To ensure that the principle of substance over form is applied, all expenses and income are recognized on an accrual basis up to the balance sheet date.

In valuations, the more prudent of two available values is always taken into account. Valuations are performed based on the assumption that the company will continue to operate as a going concern.

In principle, the offsetting of assets and liabilities or of expense and income is not carried out (except in the case of transactions of the same type with the same counterparty, the same maturity and the same currency that cannot lead to a counterparty risk).

Foreign currency transactions during the year are converted at the applicable exchange rate on the transaction date. At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated at the closing exchange rates, and unrealized exchange rate differences are recognized in the income statement. Non-monetary items carried at historical cost in a foreign currency are translated at the historical exchange rate.

Other principles
Securities in current assets are valued at the current market value.

The item “Other short-term receivables” includes all receivables from Vontobel companies and third parties. It is valued at nominal value less any valuation adjustments for identified risks.

The item “Non-current assets” includes all participations, property and equipment, and intangible assets, as well as financial assets with a residual term of over one year. Property and equipment as well as intangible assets are valued at acquisition costs less any depreciation. They are depreciated on a straight-line basis over their estimated useful life. Financial assets are valued at nominal value less any valuation adjustments for identified risks. Participations are valued according to the individual valuation principle. The value of participations is determined based in particular on calculations of the net asset value and income value, while also taking account of fluctuations in exchange rates. If the calculated value is lower than the previously stated value, an impairment is recognized through profit or loss. A reversal of the impairment up to the acquisition cost is also recognized through profit or loss.

The item “Short-term liabilities” includes all liabilities on demand and fixed-term liabilities at Swiss and foreign banks and non-banks. The items “Accrued income and deferred expenses” and “Accrued expenses and deferred income” include all assets and liabilities resulting from the accrual of interest and other income and expenses. Amounts not due for payment until the following year, such as taxes, performance-based compensation components or audit fees, are charged to the year in which they originated in accordance with the accrual principle.

“Long-term liabilities” includes liabilities with a residual term of over one year, debt instruments issued and provisions. Debt instruments issued are recognized at nominal value. Any premiums / discounts are recorded in “Other liabilities” / “Other assets” and are released through profit or loss by the final maturity or the first possible redemption date.

The company’s nominal share capital is recognized in “Share capital”. The item “Statutory capital reserves” comprises capital paid in by shareholders, such as agio. The item “Statutory retained earnings” includes capital generated by the company and that is increased annually in accordance with legislative and statutory requirements. The item “Reserves for treasury shares” corresponds to the registered shares of Vontobel Holding AG held by subsidiaries, which are valued at the acquisition price. In the item "Own shares of capital", registered shares held by Vontobel Holding AG as treasury shares are deducted from shareholders' equity at the acquisition price. Income from the sale of treasury shares is recognized in the income statement.

The expense for shares of Vontobel Holding AG that are allocated to employees as part of the annual bonus (bonus shares) are charged to personnel expense in the year in which the relevant performance was delivered. The expense for shares of Vontobel Holding AG that are allocated to employees as part of the long-term share participation plan (performance shares) are charged to personnel expense on a pro rata temporis basis over the vesting period. Liabilities arising from shares that have not yet been allocated are recognized at market value in the item "Other short-term liabilities". Refer to the Compensation Report, page 53ff. for further information regarding the share participation plan.

Net release of hidden reserves and replacement reserves

No significant amount of hidden reserves was released. There are no replacement reserves.

Due from and to governing bodies

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	CHANGE TO 31.12.2021 IN %
Due from governing bodies				
Due to governing bodies [1]	3.2	3.5	–0.3	–9

1 The figures for the previous year were adjusted.

For information on compensation awarded to members of the Board of Directors and the Executive Committee as well as their shareholdings, refer to the Compensation Report, page 53ff.
For information on loans to governing bodies, refer to the consolidated financial statements, note 40.

Direct taxes

	2022 CHF M	2021 CHF M	CHANGE TO 2021 CHF M	CHANGE TO 2021 IN %
Income tax	2.0	2.7	–0.7	–26
Tax on capital	0.2	0.3	–0.1	–33
Total	**2.2**	**2.9**	**–0.7**	**–24**
Status of tax assessment	2020	2018		

Debt issued

Please also refer to note 23 of the Notes to the consolidated financial statements.

Collateral provided for liabilities of third parties and contingent liabilities

	31.12.2022 CHF M	31.12.2021 CHF M	CHANGE TO 31.12.2021 CHF M	IN %
Guarantees				
Pledges				
Collateral assignments				
Guarantee commitments	8,439.4	10,042.9	–1,603.5	–16
Total	**8,439.4**	**10,042.9**	**–1,603.5**	**–16**
of which guarantee commitments for Group companies	*8,378.6*	*9,979.2*	*–1,600.6*	*–16*

Guarantee commitments mainly encompass guarantees for certificates issued as well as letters of comfort and a capital support agreement in favour of Group companies.
The company forms part of Vontobel's Swiss value added tax (VAT) group and has a joint liability to the tax authorities for the VAT liabilities of the entire group.

Assets used as collateral for own liabilities and assets for which title has been reserved
As of December 31, 2022, assets totaling CHF 0.7 million (December 31, 2021: CHF 2.6 million) were used as collateral to secure own liabilities to subsidiaries.

Liabilities under employee benefit schemes
Insurance contributions that have not yet been settled totaled CHF 0.0 million as of December 31, 2022 (December 31, 2021: CHF 0.0 million).

Vontobel Holding AG did not draw any loans from employee benefit schemes.

Participations
For information on principal participations, refer to the consolidated financial statements on page 220.

Major shareholders and participations held by governing bodies
For information on shareholders pursuant to Art. 663c of the Swiss Code of Obligations, refer to Corporate Governance on page 31 and the Compensation Report, page 53ff.

Participation rights and options
For information on allocated participation rights from the share participation plan, refer to the Compensation Report, page 53ff. and page 209ff. of the consolidated financial statements.

Full-time equivalents
In the year under review, the annual average number of full-time positions was 8.7 FTEs (full-time equivalents). In the previous year, the figure was 9.8 FTEs. For further information, refer to the Sustainability Report, page 87ff.

Acquisition, sale and holdings of treasury shares
For information on the acquisition, sale and holdings of treasury shares, including transactions and holdings in the case of subsidiaries, refer to note 26 of the consolidated financial statements.

No repurchase agreements for registered shares of Vontobel Holding AG were in place as of the balance sheet date (previous year: 0 registered shares).

Amount of the authorized or conditional capital increase
Refer to note 26 of the consolidated financial statements.

Further details
See the consolidated financial statements, pages 127 to 223.

Events after the balance sheet date
No events have occurred since the balance sheet date that affect the relevance of the information provided in the financial statements for 2022 and would therefore need to be disclosed.

Proposal of the Board of Directors

The Board of Directors proposes that the following amount available to the General Meeting of Shareholders be appropriated as follows:

CHF M	
Net profit for the year	298.6
Retained earnings prior year	838.5
Retained earnings	**1,137.1**
Retained earnings approved by resolution	23.3
Reserves from capital contributions	0.8
General statutory reserves [1]	20.8
Distributable statutory reserves	**21.6**
Own shares of capital [2]	–57.3
At the disposal of the General Meeting of Shareholders	**1,124.8**
Total dividend [3]	**168.0**
Allocation to general statutory retained earnings	
Allocation to retained earnings by resolution	
Carried forward to the new accounting period	956.8
At the disposal of the General Meeting of Shareholders	**1,124.8**

1 Eligible general statutory reserves that exceed the statutory minimum requirement (Art. 671 para. 2, 3 and 4 of the Swiss Code of Obligations)
2 Restriction on the distribution of dividends equivalent to the cost of acquiring own shares (Art. 959a Abs. 2 Ziff. 3 lit. e of the Swiss Code of Obligations)
3 Depends on the number of dividend-entitled shares, max. 56.875 M, as of December 31, 2022. The treasury shares held by Vontobel Holding AG at the time of distribution of the dividend are not entitled to a dividend.

Dividend payment

If the proposal is approved, the dividend will be distributed as follows:

DIVIDEND PER REGISTERED SHARE WITH A PAR VALUE OF CHF 1.00 (IN CHF)	3.00
Coupon no.	23
Ex-dividend date	April 6, 2023
Record date	April 11, 2023
Payment date	April 12, 2023

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2023

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Vontobel Holding AG (the Company), which comprise the balance sheet as at 31 December 2022 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 31, 69, 77, 178, 180, 209, 210, 220 and 234 to 240) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the financial statements.

Building a better working world

Valuation of participations

Area of focus	Vontobel Holding AG values participations individually at the lower of historical cost or at its impaired value. In subsequent valuations, impairments are recognized for any loss in value. Vontobel Holding AG identifies impairment by comparing the carrying amount of the participation with the recoverable amount, which is calculated based on the net asset value or income value. This calculation is based on assumptions (e.g. future income streams, discount rates), the determination of which involves the exercise of significant judgment. In its financial statements as of 31 December 2022, Vontobel Holding AG reports the carrying amount of participations of CHF 1.8 billion, corresponding to 89.4% of total assets. In view of the inherent judgment involved in the determination of these assumptions and the significance of the balance sheet item in the financial statements of Vontobel Holding AG, the valuation of participations is of particular importance from an audit perspective. The accounting principles applied are explained by Vontobel Holding AG on page 238 of the annual report.
Our audit response	We assessed the valuation methods used and analyzed the calculations made by management. We did so with a focus on the assumptions made by the company in the context of the valuations and thus evaluated management's assessment of impairment. Furthermore, we assessed the presentation and disclosures in the financial statements as of 31 December 2022. Our audit procedures did not lead to any reservations concerning the valuation of participations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements

The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Andreas Blumer
(Qualified
Signature)

Licensed audit expert
(Auditor in charge)

Philipp Müller
(Qualified
Signature)

Licensed audit expert

Vontobel Advisory Council: Sparring partners and ambassadors for Vontobel

The Vontobel Advisory Council is a group of individuals with a business or political background from Switzerland and some of Vontobel's focus markets who are selected to act as sparring partners to the Executive Committee and as ambassadors for Vontobel. Their external expertise and experience is to be put to targeted use to identify trends and to discuss Vontobel's further development.

The Vontobel Advisory Council, which meets twice annually, currently has the following members:

Herbert J. Scheidt,
Chair of the Advisory Council since 2022, has played a key role and was instrumental in shaping the development of Vontobel and driving its success since 2002: He served as Chief Executive Officer from 2002 to 2011 and as Chairman of the Board of Directors from 2011 to 2022. He has more than 40 years of experience in the finance industry. Before joining Vontobel, he spent 20 years in various leadership positions at Deutsche Bank in Switzerland and abroad. Herbert J. Scheidt is currently Vice Chairman of the Board of Directors of SIX Group AG and of Hero AG. He is also a member of the Board of Trustees of the Ernst von Siemens Music Foundation and a member of the Executive Committee of the German-Swiss Chamber of Commerce. Herbert J. Scheidt was Chairman of the Board of Directors of the Swiss Bankers Association from 2016 until 2021.

The Rt Hon **Lord Patten** of Barnes CH
whose long career includes posts as European Commissioner and as the last Governor of Hong Kong, who transferred sovereignty over the former British crown colony to the People's Republic of China in 1997. Following his active political life, Lord Patten served as Chancellor of Newcastle University, among other roles, and has been Chancellor of the University of Oxford since 2003.

Vittorio Volpi
who has more than 50 years of experience in management positions across a wide variety of businesses within the international finance industry, including serving as President of UBS in Italy and as Chairman of UBS Japan for many years. Today, Vittorio Volpi is Chairman of a range of companies and consultancies in Europe.

Carlo Pesenti
who has served as Chief Operating Officer of Italmobiliare SpA since 2014. Italmobiliare, a leading Italian holding company with a history spanning more than 150 years manages holdings in a large number of industrial, media and private equity firms. Carlo Pesenti is a member of the governing bodies of numerous companies and has a seat on the Board of the Italian newspaper Il Sole 24 Ore.

Felix Happel
Chairman of the Board of Directors of Porterhouse Group AG, Lucerne, a European holding company that combines innovative firms with unique selling propositions. Porterhouse uses its own funds to acquire majority stakes in small and medium-sized companies and supports their long-term development.

Nicolas Oltramare
was a member of the Board of Directors of the Vontobel Holding and Bank Vontobel AG from 2013 to 2018. He was also a member of the Nomination & Compensation Comittee from 2013 to 2015 and a member of the Risk & Audit Comittee from 2015 to 2018. Nicolas Oltramare is a Swiss entrepreneur with broad experience in private equity in Europe and Asia, with a broad network in these regions. In addition, Nicolas Oltramare provides advice to a large number of family offices and is a member of various Swiss charitable foundations.

Glossary of non-IFRS performance measures and abbreviations

The Executive Committee of Vontobel believes that the alternative performance indicators (non-IFRS performance indicators) contained in this document provide readers of the financial statements with valuable and more detailed information about elements of performance that the managers of these businesses can influence most directly or that are relevant when assessing Vontobel's performance. They also reflect an important aspect of the definition of operational targets and are monitored by Vontobel's management. Nevertheless, the alternative performance indicators in this document are no substitute for IFRS key figures and readers should also take account of IFRS key figures.

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
Adjusted profit before taxes	See table on page 25
Advised client assets	See note 35
AIFMD	Alternarive Investment Fund Managers Directive
Assets under management	See note 35
AT1	Additional Tier 1 bond – see note 23
Basel III leverage ratio	See "Capital" section
BIS	Bank for International Settlements
BoD	Board of Directors
CEO	Chief Executive Officer
CET1	Common equity tier 1; see "Capital" section
CET1 capital	Common equity tier 1 (CET1) – capital; see "Capital" section
CFO / CRO	Chief Financial Officer / Chief Risk Officer
Client assets	See note 35
CMO	Chief Marketing Officer
COO	Chief Operating Officer
Cost / income ratio	Ratio of total operating expense (excl. provisions and losses) to total operating income
Cost of capital	Costs used for the imputed return on equity
CRD IV	Capital Requirements Directive IV
Custody assets	See note 35
Earnings per share	Basic earnings per share based on the weighted average number of shares
Equity ratio	Ratio of shareholders' equity to total liabilities and equity
ESG	Environmental Social Governance
FINMA	Swiss Financial Market Supervisory Authority

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
GAAP	Generally Accepted Accounting Principles
GRI	Global Reporting Initiative
Gross margin	Ratio of total operating income to average assets under management (based on average values for individual months)
IAS	International Accounting Standards
ICS	Internal control system
IFRS	International Financial Reporting Standards
KPIs	Key Performance Indicators
Liquidity Coverage Ratio	See "Risk management and risk control" chapter
LTI	Long Term Incentive Plan
MiFID / MiFID II	Markets in Financial Instruments Directive II
NCC	Nomination and Compensation Committee
Net new money / net inflows or outflows of new money	See note 35
Net profit	Group net profit
OTC	Over-the-counter
Other advised client assets	See note 35
Payout ratio	Proportion of Group net profit attributable to the shareholders of Vontobel Holding AG that is distributed to shareholders in the form of dividend payments
Pre-tax profit	Profit before taxes
Price / book value per share	Share price at the balance sheet date in relation to shareholders' equity per registered share outstanding at balance sheet date
Price / earnings per share	Share price at the balance sheet date in relation to earnings per average registered share outstanding during the year under review
RAC	Risk and Audit Committee
Return on equity / return on shareholders' equity	Group net profit as a percentage of average shareholders' equity based on monthly figures, excluding minority interests
Risk-weighted positions	See "Capital" section
ROE	Return on equity
SNB	Swiss National Bank
Tax rate	Total of current and deferred income taxes as a percentage of the profit before taxes
Tier 1 capital	See "Capital" section
Tier 1 capital ratio	See "Capital" section
Total capital ratio	See "Capital" section
UCITS	Undertakings Collective Investments in Transferable Securities
Value at Risk	See "Risk management and risk control" chapter

Award-winning businesses

In recent months, we once again received a number of industry awards in recognition of our companywide expertise, which enables us to generate sustained value for our clients.

Investment Products and Services

Vontobel Asset Management received three awards at this year's Citywire Service Awards. The quality and commitment in offering exceptional client service have been recognized by more than 600 fund selectors who named Vontobel as best Asset Manager in three categories: Communications and Reporting, Relationship Management and Most Improved Service Provider.

TwentyFour Asset Management was named Fixed Income Manager of the Year in the UK by The Asset Management Awards. TwentyFour's ABS capabilities have been recognized by the Global Capital European Securitization Awards in the categories Securitization Mezzanine Investor of the Year, Risk Transfer Investor of the Year and CLO Investor of the year (mezzanine and junior).

Vontobel achieved three prizes at the Swiss Derivative Awards 2022. "Best Index Product" with the Strategic Certificate in CHF on Vontobel Inflation Influenced Index, "Best ESG product" with the tracker certificate in CHF on he Vontobel Electric Vehicle Basket and the "Top Service Award".

In June 2022, Vontobel received the ITForum Award for "Client Service" in Italy. BFC Media awarded the players who most distinguished themselves for innovation in serving users during the year. Vontobel was awarded for its attention to the client and its ability to provide prompt and effective answers at the same time.

At the Zertifikate Awards Austria in Vienna, Vontobel won first place in both the express certificates and reverse convertibles categories. At the German Certificate Awards, which were presented for the first time, Vontobel took first prize for both reverse convertibles and theme certificates. At the Zertifikate Awards in Berlin, Vontobel was awarded first place in the participation certificates category for the sixth time in a row. In the reverse convertibles category, it came a close second, and in the express certificates category, Vontobel took third place.

Wealth Management

The business magazine "Euro" awarded Bank Vontobel Europe AG the rating "very good" in its test 2022 "Nachhaltig beste Vermögensverwaltung".

The largest alliance of independent wealth managers in Switzerland, with 37 members, used the occasion of its fifth anniversary to award five prizes. Vontobel was honored in the categories "End Client Servicing", "Relationship Management" and "Overall Excellence".

Investors' information and contacts

Vontobel Holding AG registered shares

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00

Ticker symbols

Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

Vontobel Holding AG Additional Tier 1 (AT1) bond

Size	CHF 450 M
ISIN	CH041 904 256 6
Coupon	2.625%

Moody's Ratings

Bank Vontobel AG

Long-term deposit rating	Aa3
Short-term deposit rating	Prime-1
Long-term counterparty risk rating	A2
Short-term counterparty risk rating	Prime-1
Long-term counterparty risk assessment	A1 (cr)
Short-term counterparty risk assessment	Prime-1 (cr)

Vontobel Holding AG

Long-term rating (issuer rating)	A2
Additional Tier 1 (AT1) bond	Baa2(hyb)

Financial calendar

April 4, 2023
Annual General Meeting 2023

April 9, 2024
Annual General Meeting 2024

Additional events
www.vontobel.com/calendar

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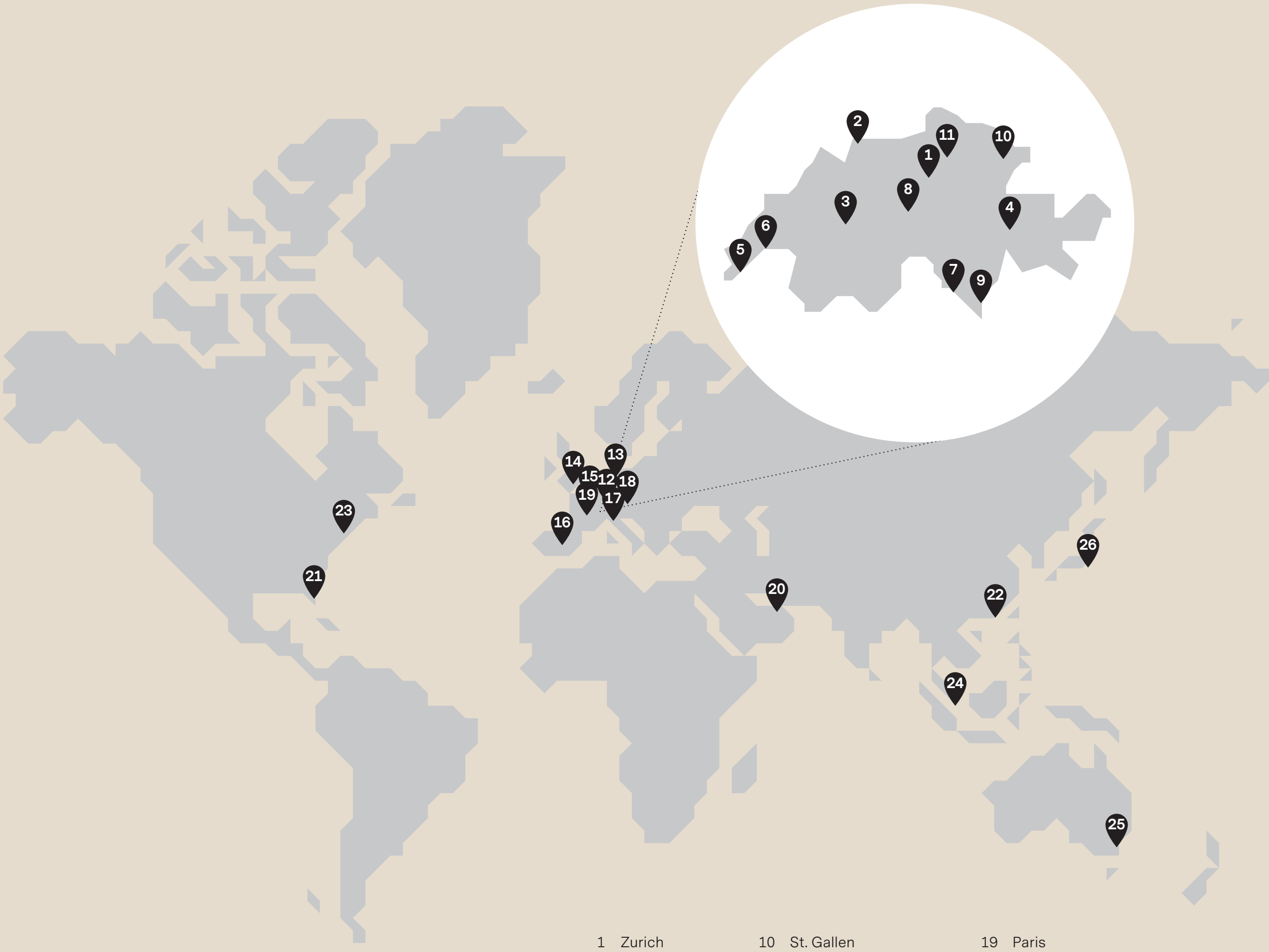
Our locations

At Vontobel, we actively shape the future. We master what we do – and we only do what we master.

From Zurich, Frankfurt am Main and London over New York and Dubai to Hong Kong – throughout 26 offices, we service our clients.

Find an overview of all our offices on vontobel.com



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