

Vontobel delivers satisfactory result for 2022

- **Satisfactory return on equity of 11.2 percent, given the market environment**
- **Consistent delivery of capital-light strategy coupled with solid capital base**
- **Strong CET1 capital ratio of 16.7 percent at end-2022**
- **Dividend of CHF 3.00 per share, unchanged from prior year, proposed to General Meeting of Shareholders**
- **All areas of business contributed to positive performance**
- **Strong net new money growth of 5.6 percent in Wealth Management, within the target range**
- **Clients stayed on sidelines rather than reinvesting or making new investments in various asset classes, resulting in outflows of -7.4 percent in Asset Management**
- **Net new money was negative overall at -2.1 percent**
- **Assets under management down 16 percent to CHF 204.4 billion after record year 2021; decline mainly reflects market situation**
- **Assets under management in Wealth Management stable despite market downturn**
- **Wealth Management achieves good gross margin of 71 basis points**
- **Asset Management reports satisfactory gross margin; reduction to 37 basis points mainly reflects business mix**
- **Profit after taxes of CHF 229.8 million, compared to CHF 383.8 million in record year 2021**
- **Pre-tax profit of CHF 267.4 million, compared to CHF 467.2 million in prior year**
- **Measures to contain costs already introduced in 2022; additional gross cost reductions of CHF 65 million expected by end-2023**
- **Vontobel is pursuing ambitious mid-term profit and growth targets and consistently implementing priorities as it works towards the Lighthouse Ambition 2030**
- **Vontobel wants to achieve further capital-light growth in 2023, primarily based on business with recurring revenues, while maintaining a conservative risk profile**

Vontobel delivered another satisfactory result for 2022, which was one of the most difficult years for financial markets at least since the start of the global financial crisis. With its new Strategic Priorities for 2023-2024, it also took important steps to pave the way for the future success of the company.

In the last financial year, Vontobel generated a satisfactory return on equity of 11.2 percent given the operating environment – even if this was below its own targets and its very good return on equity of 18.8 percent for the record year 2021. Vontobel has maintained its solid capital position that exceeds all regulatory minimum requirements as well as its 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, the 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).

All areas of Vontobel – i.e., the business with wealth management and asset management clients, who access its investment expertise through personal advisory services or via various digital channels – contributed to the satisfactory result. Despite significant changes in the investment landscape, the Wealth Management business in particular continued to perform well. In the current uncertain environment, wealth management clients displayed a preference for quality and expertise that benefited Vontobel.

Strong net new money in business with wealth management clients

Wealth Management achieved very good growth in net new money of 5.6 percent, which was within its 4-6 percent target range. In Wealth Management, clients entrusted a total of CHF 5.4 billion of new money to Vontobel (2021: 6.9 percent, CHF 5.6 billion). However, asset management clients worldwide stayed on the sidelines rather than reinvesting or making new investments in various asset classes. This trend mainly impacted active asset managers such as Vontobel. As a result, Vontobel recorded 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 declines 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 experienced 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 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 the 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 in 2022, compared to CHF 467.2 million in the prior year, and it was thus below the record result for 2021. Profit after taxes of CHF 229.8 million was 40 percent below the record result for the prior year.

Operating income totaled CHF 1,285 million in 2022, compared to CHF 1,536 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, Vontobel already anticipated that the demand for leverage products among 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 asset management clients, Vontobel generated operating income of CHF 457 million, compared to CHF 594 million in the prior year. As was already the case with the half-year result, the full-year results were affected in particular by lower market valuations and the worldwide pressure on margins.

Given the current environment, Vontobel generated satisfactory margins in the business with both wealth management and asset management clients. Vontobel's clear positioning as an entirely client-centric investment firm that delivers high-quality products and services and actively manages the assets of its wealth and asset management clients, had a positive impact. In 2022, Asset Management generated a gross margin of 37 basis points (2021: 42 basis points), which continues to represent a satisfactory level compared to its competitors. Wealth Management achieved a gross margin of 71 basis points, slightly above the margin of 70 basis points reported for the prior 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 around CHF 51 million to CHF 1,018 million (2021: CHF 1,068 million), corresponding to a reduction of 5 percent compared to 2021. Operating expense includes one-off costs related to the integration of Vontobel SFA, among other things. 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 prior year. Vontobel has seized growth opportunities and will continue to do so in the future. In addition, it will use changing operating conditions as an opportunity to align its business portfolio even more closely with its Lighthouse Ambition. 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.

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 maintaining a robust capital position that will allow Vontobel to implement its Lighthouse Ambition 2030 and to thus secure the investment firm's long-term success. The Board of Directors will therefore propose a dividend of CHF 3.00 per share – unchanged compared to the dividend for the record year 2021 – to the General Meeting of Shareholders on April 4, 2023. This corresponds to a payout ratio of 73 percent. In 2022, the dividend 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. Vontobel's 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.

Vontobel remains well on track – even in a “new world”

“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 markets 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. Vontobel was also not immune to these developments. 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 known as one of the leading and most trusted global investment firms in all our markets. Vontobel remains well on track to generate growth organically and through acquisitions, even in a ‘new world’”, stated Zeno Staub, CEO.

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 mid-term 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.

Vontobel’s Strategic Priorities are: (1) Delivering future-proof investment solutions; (2) Delivering best-in-class private client experiences; (3) Accelerating its US growth; and (4) Scaling value creation.

Among other measures, Vontobel aims to offer an even more diversified range of future-proof investment solutions and will therefore 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 (1). 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 (1). To deliver best-in-class private 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 (2). Vontobel wants to maintain its strong growth in the US. To achieve this, it 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 (3). Finally, to achieve sustainable success Vontobel will continue to review its business model in the future to identify scope for optimization and will make the necessary adjustments without losing sight of the direction it is taking (4).

2023 to be a challenging year for clients and for Vontobel with opportunities for active investors

Vontobel anticipates that 2023 will be another challenging period with numerous imponderables, even if markets recovered somewhat in the first few weeks of the year. Geopolitical risks, supply chain issues, high energy prices, inflation and a looming recession will continue to impact the economy – and therefore also investors – for the foreseeable future. In a challenging environment such as this, Vontobel believes that 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. 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. Its team of more than 300 investment experts in Europe, the US and Asia aren’t influenced by the latest trends – they follow their convictions in order to achieve long-term success for clients. Their approach is also reflected by the ratings assigned to Vontobel by international rating agencies, with 54 percent of all Vontobel funds rated by Morningstar (weighted according to assets under management) achieving a 4- or 5-star rating.

Driving capital-light, risk-conscious growth – focusing on business with recurring revenues

“Vontobel will pursue its ambitious growth and profit targets and Strategic Priorities 2023-2024 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”, stated Zeno Staub.

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Vontobel

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally active investment manager with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We harness the power of technology to deliver a high-quality, individual client experience and to deploy our investment expertise across multiple platforms and ecosystems. We empower our employees to take ownership of their work and bring opportunities to life.

We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom as an obligation to also assume our social responsibility. As of December 31, 2022, Vontobel held CHF 254.6 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

Legal information

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

Ratios

	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

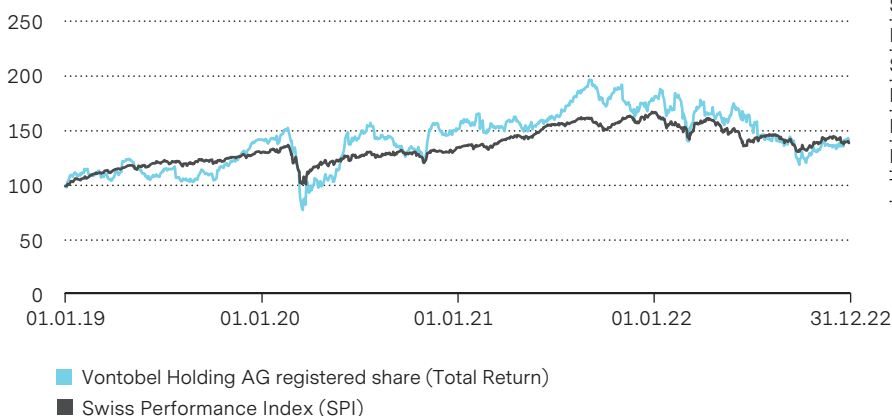
Share data

	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
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	229.8	373.8	242.7	251.0	220.7
<i>of which allocated to minority interests</i>		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
<i>of which under discretionary management</i>	124.6	159.4	146.9	130.6	107.3
<i>of which under non-discretionary management</i>	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