CREDIT OPINION
12 September 2024

Update

Send Your Feedback

Bank Vontobel AG

Update following rating affirmation and outlook change

Summary

Bank Vontobel AG's (Bank Vontobel) Aa3 deposit ratings and Vontobel Holding AG's (Vontobel Holding) A2 issuer ratings reflect the bank's a2 Baseline Credit Assessment (BCA) and Adjusted BCA, and two notches of uplift from our Advanced Loss Given Failure (LGF) analysis for deposits, as well as no uplift for Vontobel Holding's issuer ratings. Bank Vontobel's and Vontobel Holding's ratings do not benefit from government support uplift because of their small size in the context of the Swiss banking sector. Bank Vontobel is the main operating entity of Vontobel Holding.

Bank Vontobel's a2 BCA reflects the bank's very high capitalisation, as well as its sound funding and liquidity profile, displaying a high proportion of customer deposits and liquid resources. The BCA also incorporates Bank Vontobel's limited credit risk, which is somewhat offset by its high exposure to market and operational risks. Our assessment further considers the high dependence of Bank Vontobel's and Vontobel Holding's revenue and earnings on capital market developments, adding to the risk management challenges of running a relatively large structured products franchise.

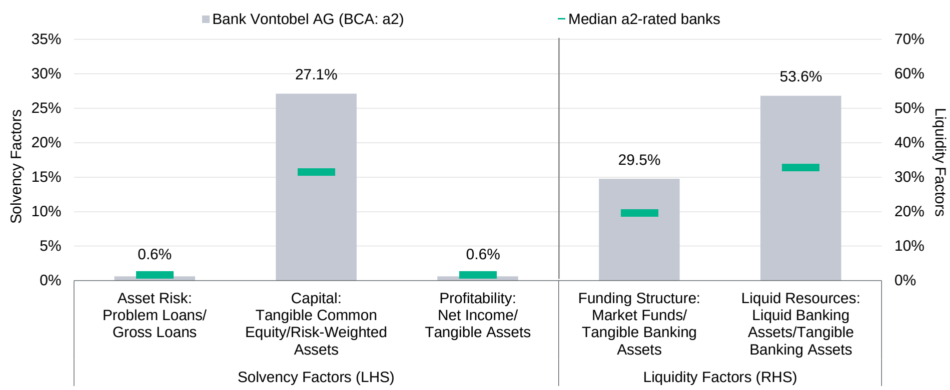
RATINGS

Bank Vontobel AG

Domicile	Zurich, Switzerland
Long Term CRR	A2
Type	LT Counterparty Risk Rating - Fgn Curr
Outlook	Not Assigned
Long Term Debt	Not Assigned
Long Term Deposit	Aa3
Type	LT Bank Deposits - Fgn Curr
Outlook	Developing

Please see the ratings section at the end of this report for more information. The ratings and outlook shown reflect information as of the publication date.

Exhibit 1
Key financial ratios
Bank Vontobel AG



Source: Moody's Ratings

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Credit strengths

» Very low credit risks from highly collateralised Lombard and mortgage lending books

» Strong risk-weighted capitalisation for both Bank Vontobel and Vontobel Holding, providing substantial loss-absorption capacity

» Diversified wealth and asset management franchise, complemented by retail-focused investment offerings

Credit challenges

» Exposure to typical risks applicable to private banks, such as reputational, legal and operational risks, and market-driven fluctuations in assets under management (AUM)

» Lack of organic AUM growth in Vontobel Holding's institutional clients segment displaying consistent net outflows over several years, although this seems to have stopped in 2024

» High management turnover in recent years

Outlook

» The outlook for Bank Vontobel's long-term deposits is developing because of our expectation of a growing stock of senior unsecured bank debt reducing the loss severity for certain of Bank Vontobel's liability classes. This could lead to a higher rating uplift assigned to the bank's deposit ratings as well as for the CRRs and long-term CR Assessment under our Advanced LGF analysis, provided the bank sustains its recently increased volume of structured notes issuances or issues other instruments at the same seniority level.

» The developing outlook indicates that this anticipated rating improvement from our Advanced LGF analysis may be offset by a downgrade of Bank Vontobel's BCA, albeit the timing of these two events remains uncertain at this stage.

» The negative outlook for Bank Vontobel's and Vontobel Holding's long-term issuer ratings reflects the continued downside risks to Bank Vontobel's a2 BCA, which are significantly less likely to be offset by more favorable results from our Advanced LGF analysis for the group's issuer ratings as well as for the lower-ranking AT1 instruments issued by Vontobel Holding, since additional issuance at bank level would not add to the subordination cushion available for Vontobel Holding's rated debt classes.

Factors that could lead to an upgrade

» As indicated by the developing outlook for Bank Vontobel's long-term deposit ratings, the bank's deposit ratings, long-term CR Assessment and CRRs may benefit from a one-notch higher rating uplift under our Advanced LGF analysis, which may lead to single notch upgrades – unless offset by a downgrade of Bank Vontobel's BCA. By contrast, for issuer ratings to benefit from uplift under our Advanced LGF analysis, issuance volumes of loss-absorbing liabilities would need to significantly exceed our current expectations.

» An upgrade of Bank Vontobel's BCA is currently unlikely, mostly because of the bank's tight integration in Vontobel Holding.

Factors that could lead to a downgrade

» As indicated by the negative outlook for the long-term issuer ratings, we may downgrade Bank Vontobel's a2 BCA and Adjusted BCA in the absence of a sustained recovery of the group's asset management franchise and if not combined with a sustained strengthening of its funding and liquidity profile.

» We may downgrade the ratings of Bank Vontobel or the issuer ratings of Vontobel Holding in case the volume of loss-absorbing liabilities, including existing AT1 instruments as well as structured notes issuances of Bank Vontobel to external investors, were to materially fall short of our current expectations.

Key indicators

Exhibit 2

Bank Vontobel AG (Consolidated Financials) [1]

	12-23[2]	12-22[2]	12-21[2]	12-20[2]	12-19[2]	CAGR/Avg.[3]
Total Assets (CHF Billion)	18.7	21.7	22.8	21.9	15.5	4.8[4]
Total Assets (USD Billion)	22.2	23.4	24.9	24.8	16.0	8.5[4]
Tangible Common Equity (CHF Billion)	1.2	1.2	1.3	1.2	1.1	2.5[4]
Tangible Common Equity (USD Billion)	1.5	1.3	1.4	1.3	1.2	6.1[4]
Problem Loans / Gross Loans (%)	0.6	0.7	0.5	0.5	0.5	0.5[5]
Tangible Common Equity / Risk Weighted Assets (%)	27.1	26.5	25.6	20.3	24.2	24.7[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	3.6	4.7	2.8	2.7	2.3	3.2[5]
Net Interest Margin (%)	1.3	0.8	0.6	0.7	0.8	0.8[5]
PPI / Average RWA (%)	5.4	1.2	3.8	2.5	2.0	3.0[6]
Net Income / Tangible Assets (%)	1.0	0.1	0.7	0.5	0.5	0.6[5]
Cost / Income Ratio (%)	75.1	93.5	78.9	83.2	87.9	83.7[5]
Market Funds / Tangible Banking Assets (%)	29.5	25.7	21.6	20.9	17.1	23.0[5]
Liquid Banking Assets / Tangible Banking Assets (%)	53.6	54.4	58.4	60.9	56.0	56.7[5]
Gross Loans / Due to Customers (%)	70.0	61.7	50.2	46.6	51.4	56.0[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; LOCAL GAAP. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Exhibit 3

Vontobel Holding AG (Consolidated Financials) [1]

	06-24[2]	12-23[2]	12-22[2]	12-21[2]	12-20[2]	CAGR/Avg.[3]
Total Assets (CHF Billion)	33.1	28.3	29.3	31.1	30.5	2.4[4]
Total Assets (USD Billion)	36.9	33.6	31.6	34.1	34.5	1.9[4]
Tangible Common Equity (CHF Billion)	1.6	1.5	1.4	1.5	1.3	5.3[4]
Tangible Common Equity (USD Billion)	1.8	1.8	1.5	1.7	1.5	4.8[4]
Problem Loans / Gross Loans (%)	--	0.7	0.8	0.5	0.5	0.6[5]
Tangible Common Equity / Risk Weighted Assets (%)	23.0	22.6	22.3	23.2	17.8	21.8[6]
Problem Loans / (Tangible Common Equity + Loan Loss Reserve) (%)	--	3.0	4.0	2.3	2.4	3.0[5]
Net Interest Margin (%)	0.4	0.6	0.3	0.2	0.3	0.4[5]
PPI / Average RWA (%)	5.3	4.2	4.4	6.7	4.8	5.1[6]
Net Income / Tangible Assets (%)	0.8	1.0	0.2	1.6	0.9	0.9[5]
Cost / Income Ratio (%)	75.3	79.2	77.8	69.0	73.1	74.9[5]
Market Funds / Tangible Banking Assets (%)	52.3	51.6	43.3	42.7	41.7	46.3[5]
Liquid Banking Assets / Tangible Banking Assets (%)	39.4	39.9	44.4	61.5	60.2	49.1[5]
Gross Loans / Due to Customers (%)	--	63.8	56.6	48.2	43.7	53.1[5]

[-] Further to the publication of our revised methodology in July 2021, only ratios from annual 2020 onwards included in this report reflect the change in analytical treatment of the "high-trigger" Additional Tier 1 instruments. [1] All figures and ratios are adjusted using Moody's standard adjustments. [2] Basel III - fully loaded or transitional phase-in; IFRS. [3] May include rounding differences because of the scale of reported amounts. [4] Compound annual growth rate (%) based on the periods for the latest accounting regime. [5] Simple average of periods for the latest accounting regime. [6] Simple average of Basel III periods.
Sources: Moody's Ratings and company filings

Profile

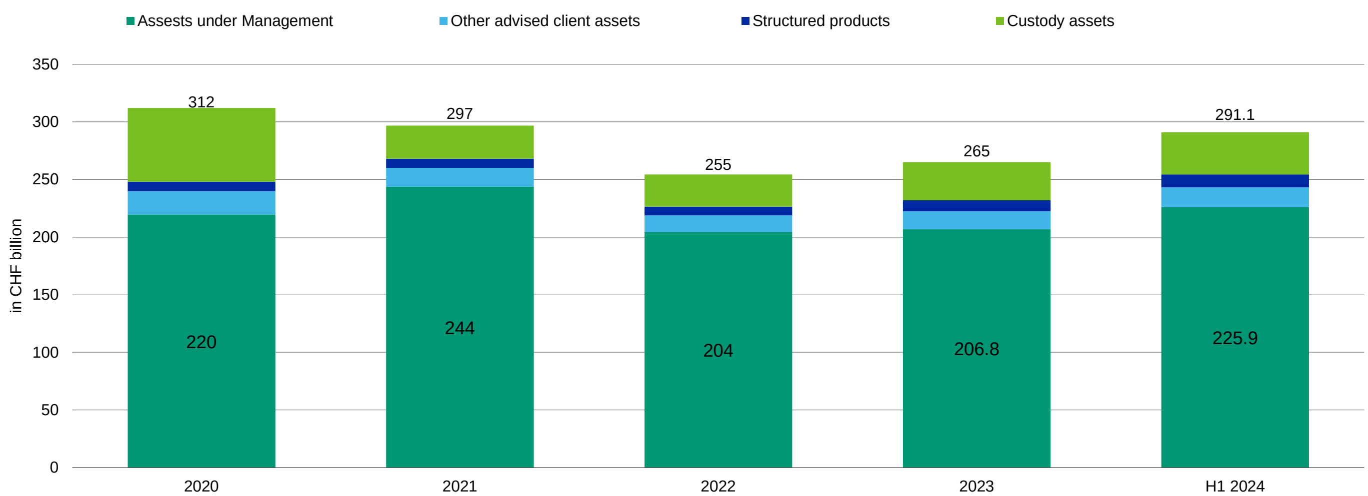
Bank Vontobel AG, a Switzerland-based provider of wealth management services, is Vontobel Holding's main operating entity and accounted for around 64% of the group's consolidated assets as of December 2023.

Vontobel Holding, which holds 100% of Bank Vontobel, is listed on the Swiss stock market, with the Vontobel family and associated parties (the core shareholder pool) holding 50.9% of voting rights. The earliest termination date for the shareholder pool agreement would be year-end 2026. Vontobel Holding operates out of 27 locations globally and consolidates asset management entities and its Dubai-based subsidiary Vontobel Financial Products Ltd., which issues structured products.

As of Q1 2024, Vontobel Holding rearranged its business division split and now reports separate results only for its Private Clients segment (wealth management services) and its Institutional Clients segment (asset management services). As of 30 June 2024, Vontobel Holding reported an increase in the AUM to CHF225.9 billion, up from CHF206.8 billion as of year-end 2023, with Institutional and Private Clients each accounting for about half of AUM.

As of year-end 2023, Bank Vontobel reported balance-sheet assets of CHF18.7 billion (December 2022: CHF21.7 billion), as well as CHF100.3 billion of AUM (2022: CHF94.2 billion), following net new money inflows of CHF4.3 billion (compared with CHF5.4 billion the previous year).

Exhibit 4
Solid wealth management money inflows and market performance support AUM improvement in H1 2024



“Assets under Management” metrics include some double-counting of assets, primarily from shares in self-managed collective investment instruments, as well as actively managed and tracker certificates in client portfolios.
Source: Company reports

Weighted Macro Profile of Strong (+)

Similar to other Swiss private banks, Bank Vontobel’s operating environment largely depends on the performance of the Swiss economy and its reputation as a trusted global private banking centre, despite the group being exposed to various other global jurisdictions. Hence, the Weighted Macro Profile is aligned with the Strong (+) Macro Profile of Switzerland.

Detailed credit considerations

Low credit risks balanced by risk management challenges from hedging structured products, as well as typical market and operational risks applicable to all wealth managers

The a3 Asset Risk score for Bank Vontobel has been assigned four notches below its aa2 initial score, reflecting the considerable degree of reputational and operational risks inherent in wealth managers' business models.

This negative adjustment captures the bank's and the group's significant exposure to market risks, as well as reputational, legal and operational risks inherent in the business model. Asset risks for wealth managers typically do not arise from their lending activities but from the entity's overall reputation and franchise. The management of third-party wealth relies on the trust-based relationship between clients and advisers, the integrity and reliability of the domestic legal system, and the wealth managers' technological infrastructure.

Our assessment also takes into account the risk management challenges of running a large structured product franchise, which requires a consistent hedging and constant rebalancing of financial assets, including derivatives, to help closely match — and ideally mirror — the payout profiles of the issued structured products. This includes the booking and risk management of financial securities pledged by Bank Vontobel, which are to a large extent related to structured products legally issued out of Vontobel Financial Products Ltd., Dubai.

Strong risk-weighted capitalisation mitigates asset risks

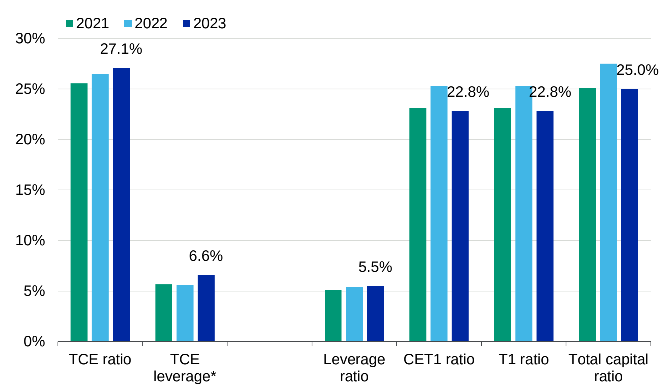
Bank Vontobel and Vontobel Holding display solid capitalisation metrics, which compare favourably with their peers and strongly underpin our assessment of both entities' credit strengths.

Bank Vontobel's aa2 Capital score is assigned one notch below its aa1 initial score, reflecting moderate earnings retention at the bank level and our expectation of rising loan growth, mainly as a result of increased Lombard lending balances owing to Vontobel Holding's efforts in deepening its relationships with its private banking clientele. Our capital assessment also takes into consideration Vontobel Holding's targets of maintaining its consolidated total capital ratio above 16.0% and a minimum consolidated Common Equity Tier 1 (CET1) capital ratio of 12.0%, even including the effects of potential acquisitions.

In 2023, Vontobel Holding replaced its CHF450 million Additional Tier 1 (AT1) capital instrument with two privately placed AT1 bonds of $200 million each, the proceeds from which it downstreamed fully as CET1 capital to Bank Vontobel.

Exhibit 5

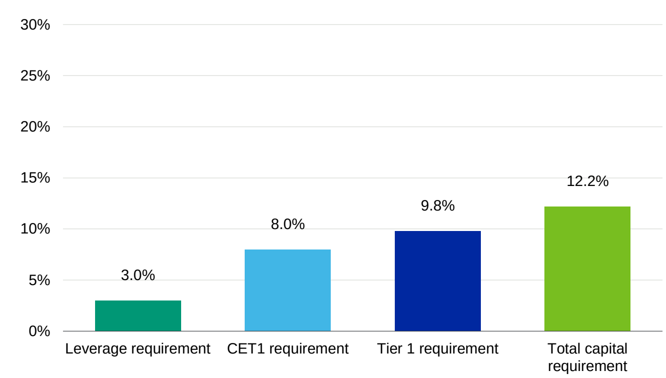
Bank Vontobel's capital ratios, grouped, Moody's view (on the left) versus regulatory view (on the right)
Data in percentage of risk-weighted assets (RWA), except for leverage ratios



TCE = tangible common equity (our calculation); CET1 = Common Equity Tier 1 capital.
*The TCE leverage ratio compares TCE to tangible banking assets.
Sources: Company reports and Moody's Ratings

Exhibit 6

Bank Vontobel comfortably exceeds its regulatory minimum requirements*
Data in percentage of RWA



*Capital requirements for a Category 3 financial institution in Switzerland according to FINMA classification.
Sources: Company reports and Moody's Ratings

Moderate profitability at the bank level to be restored when AUM growth returns; sound profitability at the group level reflects additional earnings from asset management

Bank Vontobel's assigned Profitability score is baa2, at the level of its initial score. The positioning of the score reflects our expectation that Bank Vontobel will generate annual net profits of more than 50 basis points of balance-sheet assets on average over the cycle. Our assessment also captures the bank's and the group's generally high earnings dependence on the development of global capital markets.

Vontobel Holding's asset management activities add to the group's net income generation capacity while adding only a small amount of on-balance-sheet assets to the group's tangible assets. Accordingly, the group's net income/tangible assets generally exceeds the bank's profitability. In our forward-looking analysis of Vontobel Holding's asset management operations, we also consider additional factors such as its pretax income margin, the stability of revenue growth and net new money trends.

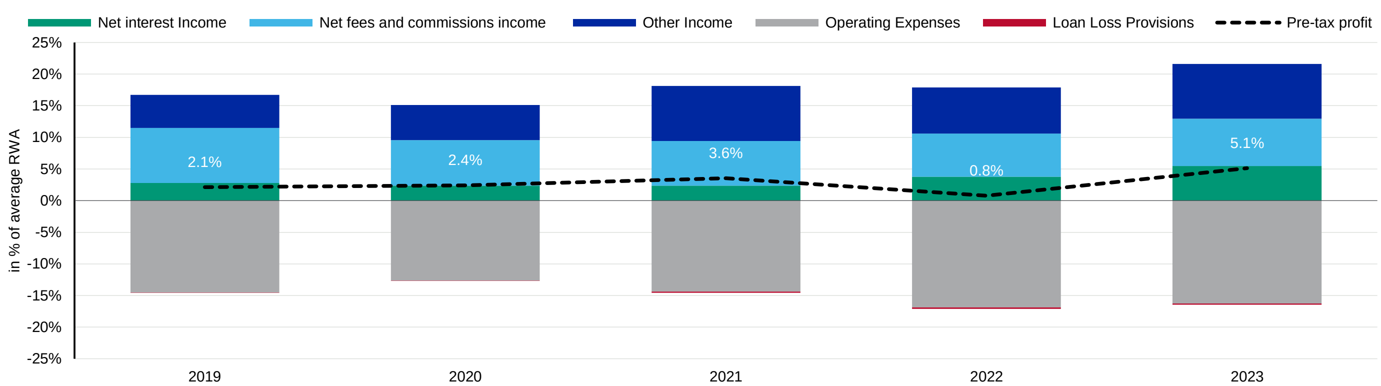
Continued net new money outflows have presented a challenge for active asset managers in recent years. Only in Q1 2024 did Vontobel Holding's asset management operations manage to stop a negative net new money generation trend that had emerged during H2 2021. As an active asset manager, Vontobel Holding constantly needs to demonstrate to investors its ability to achieve a fee-adjusted return that at least keeps up with the performance of the benchmark in order to attract additional net new money flows.

Bank Vontobel and Vontobel Holding generate revenue from the management and custody of their clients' wealth, as reflected by AUM. Wealth managers mainly generate fee and commission income from providing investment advice or performing trading activities on behalf of their customers. While this provides a predictable and generally stable source of recurring income, both entities' profitability may be weakened by volatility in capital markets, which affects AUM and the related fee income. Profitability may also be affected by foreign currency movements because AUM (and client trades) are to a large extent denominated in US dollars, while operating expenses are largely booked in Swiss francs. Revenue that is highly correlated with the developments of capital markets usually carries a higher element of variable costs, allowing the bank and the group to adjust personnel costs, in particular bonuses or performance-driven payments. Management has announced additional cost-savings plans that will help the bank and group stabilise profits in coming years.

Exhibit 7

Improving net interest income was matched by stronger fee and trading income in 2023

Bank Vontobel revenue, expenses and pretax profit development, 2019-23



Operating expenses include personnel and administrative expenses, as well as depreciation and amortisation.
Sources: Company reports and Moody's Ratings

Rising interest rates led Bank Vontobel to complement its still-ample sight deposit base with term deposits and market funding

Our assigned baa1 Funding Structure score for Bank Vontobel is one notch higher than the bank's baa2 initial score. The positive adjustment reflects our assessment that structured products, which are included in our market funding ratio, reflect clients' risk appetite and often serve as a substitute to client deposits and are, therefore, not directly comparable with more confidence-sensitive market funding.

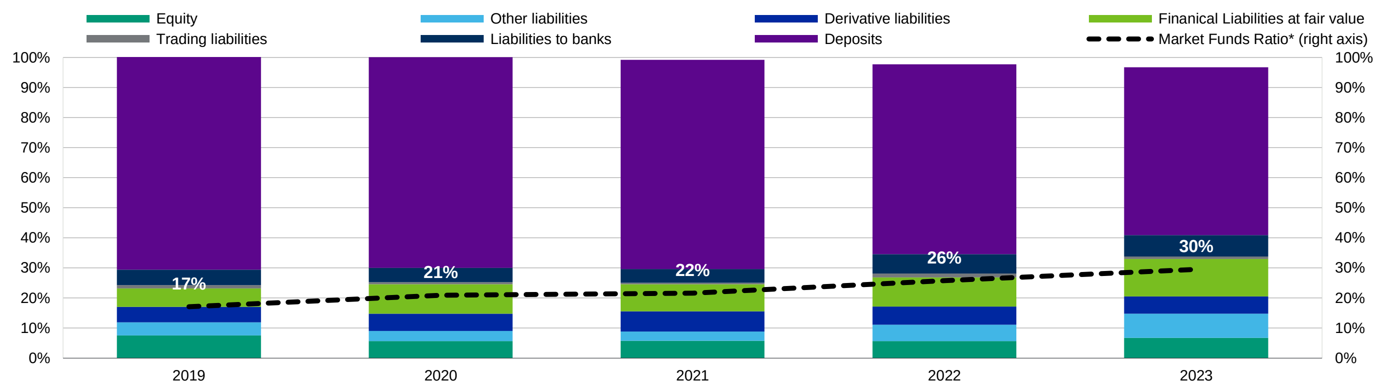
Bank Vontobel's and Vontobel Holding's wealth management activities have generated sizeable deposit balances, predominantly denominated in Swiss francs, Euros and US dollars, which have started to be partly converted into higher-yielding products such as medium-term notes, term deposits and fiduciary deposits at third-party banks. By year-end 2023, higher-remunerated term deposits accounted for about a quarter of the bank's deposit balances, mostly with maturities of up to three months. We expect this shift to be sustained in the current higher interest-rate environment. Given most deposits can, in principle, be called at a very short notice, wealth managers must protect themselves against unexpected and potentially sizeable outflows, which drives the need for holding sizeable unencumbered liquid asset buffers.

In light of globally higher interest rates, customers further reduced deposit balances at Bank Vontobel in 2023 to CHF10.4 billion (December 2022: CHF13.7 billion, down from CHF15.9 billion in December 2021), in part replacing them with structured products. As a result, Bank Vontobel's unadjusted market funding ratio increased and, while still at a low level, its loan-to-deposit ratio rose to 70.0% from 61.4% (2021: 50.0%) by December 2022.

Exhibit 8

Bank Vontobel's moderate market funding reliance is well balanced by ample client deposits

Data in percentage of tangible banking assets



*Market funding ratio = market funds/tangible banking assets.

Sources: Company reports and Moody's Ratings

Solid liquidity supports Bank Vontobel's credit strength

We assign an a2 Liquid Resources score to Bank Vontobel, which is three notches below the initial score. The a2 score reflects the bank's maintenance of defensive liquidity buffers and sound compliance with regulatory liquidity requirements, but also sizable encumbrance of liquid assets as indicated by the gap between regulatory high-quality liquid assets (HQLA) and our measure of liquid banking assets.

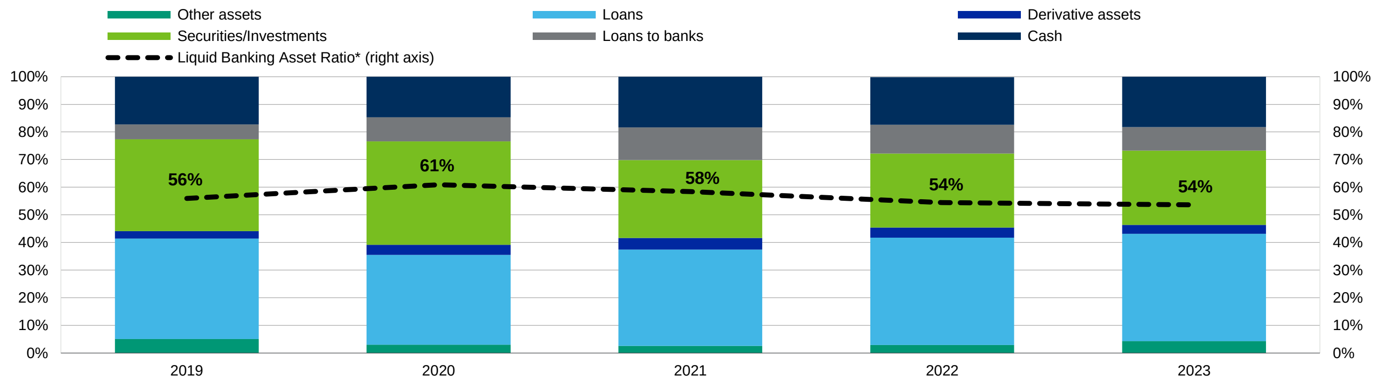
The sound liquidity management at Bank Vontobel and Vontobel Holding largely mitigates the risks from the short-term nature of their private banking and institutional deposit bases, their primary funding source. The high risk of losing these more volatile and market-sensitive deposits requires private banks to maintain high volumes of cash and high-quality financial securities to accommodate unexpected or larger-than-anticipated withdrawals.

As of year-end 2023, Bank Vontobel reported total liquid banking assets of CHF10.0 billion (December 2022: CHF11.8 billion). Average high-quality liquid assets (HQLA) of CHF4.8 billion during Q4 2023 (Q4 2022: CHF7.3 billion) represented only about half of the total liquid banking assets, yet they comfortably covered simulated stressed net cash outflows, supporting a strong regulatory liquidity coverage ratio of 214.4% in Q4 2023 (Q4 2022: 156.1%). In addition to HQLA, our measure of liquid banking assets includes interbank claims and non-derivative trading assets, which, in the case of Bank Vontobel, relate largely to structured product issuances and are, therefore, not freely available.

Exhibit 9

Bank Vontobel's liquidity benefits from cash and high-quality financial instruments, but large parts are encumbered from the issuance of structured products

Data in percentage of tangible banking assets



*Liquid banking assets as a percentage of tangible banking assets.
Sources: Company reports and Moody's Ratings

ESG considerations

Bank Vontobel AG's ESG credit impact score is CIS-3

Exhibit 10

ESG credit impact score

CIS-3

ESG considerations have a limited impact on the current rating, with potential for greater negative impact over time.

Source: Moody's Ratings

Bank Vontobel's **CIS-3** indicates limited impact of ESG considerations on the ratings to date, with potential for greater negative impact over time, mainly due to governance risks stemming from senior management turnover. Vontobel Holding's still ongoing management transition process sets limitations to management credibility and track record. Environmental and social factors have a limited impact on the bank's credit profile to date.

Exhibit 11

ESG issuer profile scores

ENVIRONMENTAL	SOCIAL	GOVERNANCE
E-2	S-3	G-3

Source: Moody's Ratings

Bank Vontobel faces low environmental risks. In line with most private wealth and asset managers, Bank Vontobel has low exposure to carbon transition risk from its mortgage and Lombard lending book and its investment fund exposures are well diversified. In response to developing customer focus on environmental stewardship and wider ESG considerations, the bank increasingly takes steps to align its asset and wealth management offers with the transition to a low-carbon economy.

Bank Vontobel faces moderate social risks related to regulatory and litigation risks, requiring the bank to meet high compliance standards. In line with most private wealth managers, Bank Vontobel's exposure to customer relations risks is mitigated by the bank's developed policies and procedures, supported by its client mix being geared towards more professional clients. High data security and customer privacy risks are also mitigated by technology solutions and organizational measures to prevent data breaches. Social risks related to demographic trends are partly mitigated by the bank's focus on wealth management services, including services for the transfer of wealth to the next generation.

Bank Vontobel faces moderate governance risks. Vontobel Holding has experienced high turnover in top management ranks recently and backfilled the departures - including the group's CEO and COO - from the internal talent pool. The executive team which has been led by a Co-CEO team since 2024 will have to rebuild a track record of successful net new money generation, thereby addressing current franchise challenges relative to peers that have the potential to subdue the group's profitability prospects. The group's governance is further characterized by the majority ownership of shares by the Vontobel families. Whereas concentrated ownership structures generally expose banking groups to governance risks related to board structure and policies, Moody's believes the families' long-term vision of financial goals and strategy can be a stabilizing factor during the phase of management transition.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Support and structural considerations

Affiliate support

Based on our assessment of the intrinsic financial strength of Vontobel Holding, Bank Vontobel's 100% owner, we believe there is only limited additional support available for the Zurich-based bank from groupwide activities.

As a result, Bank Vontobel does not receive any affiliate support uplift.

Loss Given Failure (LGF) analysis

Bank Vontobel and the group are subject to Swiss banking regulations, which we consider an operational resolution regime. We consider structured products issued by Bank Vontobel to be within the scope of our Advanced LGF analysis, as we believe that the Swiss regulator FINMA would have bail-in powers over these liabilities. The amount incorporated is the lower of the last reported or three-year average structured product volume, and we assume a 50% run-off prior to failure. We also take into account full depositor preference, whereby junior deposits are preferred over senior debt creditors in accordance with the local legislation. All the other assumptions are in line with our standard ones.

Our LGF analysis indicates that Bank Vontobel's Aa3-rated deposits are likely to face very low loss given failure, which results in a two-notch uplift from the bank's Adjusted BCA.

Our LGF analysis indicates that both Bank Vontobel's and Vontobel Holding's senior unsecured liabilities, which are represented by their respective A2 issuer ratings, are likely to face moderate loss given failure, which results in no uplift from the bank's Adjusted BCA.

Government support considerations

We do not incorporate any rating uplift for Bank Vontobel or Vontobel Holding from support by the Government of Switzerland (Aaa stable), reflecting our assumption of a low probability of systemic support in the event of a stress scenario, given the bank's and the holding company's marginal importance to the domestic deposit-taking market and the Swiss payment system.

Methodology and scorecard

Methodology

The principal methodology used in rating Bank Vontobel and Vontobel Holding was our Banks Methodology, published in March 2024.

About Moody's Bank Scorecard

Our Bank Scorecard is designed to capture, express and explain in summary form our Rating Committee's judgment. When read in conjunction with our research, a fulsome presentation of our judgment is expressed. As a result, the output of our scorecard may materially differ from that suggested by unadjusted accounting data alone (though it has been calibrated to avoid the frequent need for strong divergence). The scorecard output and the individual scores are discussed in rating committees and may be adjusted up or down to reflect conditions specific to each rated entity.

Rating methodology and scorecard factors

Exhibit 12

Rating Factors

Macro Factors		
Weighted Macro Profile	**Strong +**	**100%**

Factor	**Historic Ratio**	**Initial Score**	**Expected Trend**	**Assigned Score**	**Key driver #1**	**Key driver #2**
Solvency						
Asset Risk						
Problem Loans / Gross Loans	0.6%	aa2	↔	a3	Litigation risk	Market risk
Capital						
Tangible Common Equity / Risk Weighted Assets (Basel III - transitional phase-in)	27.1%	aa1	↔	aa2	Expected trend	Nominal leverage
Profitability						
Net Income / Tangible Assets	0.6%	baa2	↔	baa2	Expected trend	Earnings quality
Combined Solvency Score		aa3		a2		
Liquidity						
Funding Structure						
Market Funds / Tangible Banking Assets	29.5%	baa2	↔	baa1	Deposit quality	Expected trend
Liquid Resources						
Liquid Banking Assets / Tangible Banking Assets	53.6%	aa2	↔	a2	Stock of liquid assets	Asset encumbrance
Combined Liquidity Score		a2		a3		
Financial Profile				a2		
Qualitative Adjustments				Adjustment		
Business Diversification				0		
Opacity and Complexity				0		
Corporate Behavior				0		
Total Qualitative Adjustments				0		
Sovereign or Affiliate constraint				-		
BCA Scorecard-indicated Outcome - Range				a1 - a3		
Assigned BCA				a2		
Affiliate Support notching				-		
Adjusted BCA				a2		

Balance Sheet	**in-scope (CHF Million)**	**% in-scope**	**at-failure (CHF Million)**	**% at-failure**
Other liabilities	7,372	35.8%	9,961	48.3%
Deposits	9,952	48.3%	8,936	43.4%
Preferred deposits	7,364	35.7%	6,996	33.9%
Junior deposits	2,587	12.6%	1,941	9.4%
Senior unsecured bank debt	2,331	11.3%	736	3.6%
Preference shares(holding company)	337	1.6%	359	1.7%
Equity	618	3.0%	618	3.0%
Total Tangible Banking Assets	20,610	100.0%	20,610	100.0%

Debt Class	De Jure waterfall		De Facto waterfall		Notching		LGF Notching Guidance vs. Adjusted BCA	Assigned LGF notching	Additional Notching	Preliminary Rating Assessment
	Instrument volume + subordination	Sub-ordination	Instrument volume + subordination	Sub-ordination	De Jure	De Facto				
Counterparty Risk Rating	8.3%	8.3%	8.3%	8.3%	1	1	1	0	0	a2
Counterparty Risk Assessment	8.3%	8.3%	8.3%	8.3%	2	2	2	1	0	a1 (cr)
Deposits	17.7%	8.3%	17.7%	8.3%	3	3	3	2	0	aa3
Senior unsecured bank debt	8.3%	4.7%	8.3%	4.7%	0	0	0	0	0	a2
Senior unsecured holding company debt	4.7%	4.7%	4.7%	4.7%	0	0	0	0	0	a2
Holding company non-cumulative preference shares	4.7%	3.0%	4.7%	3.0%	-1	-1	-1	-1	-2	baa2

Instrument Class	Loss Given Failure notching	Additional notching	Preliminary Rating Assessment	Government Support notching	Local Currency Rating	Foreign Currency Rating
Counterparty Risk Rating	0	0	a2	0	A2	A2
Counterparty Risk Assessment	1	0	a1 (cr)	0	A1(cr)	
Deposits	2	0	aa3	0	Aa3	Aa3
Senior unsecured bank debt	0	0	a2	0	A2	
Senior unsecured holding company debt	0	0	a2	0	A2	A2
Holding company non-cumulative preference shares	-1	-2	baa2	0		Baa2 (hyb)

[1] Where dashes are shown for a particular factor (or sub-factor), the score is based on non-public information.
Source: Moody's Ratings

Ratings

Exhibit 13

Category	Moody's Rating
BANK VONTOBEL AG	
Outlook	Developing(m)
Counterparty Risk Rating	A2/P-1
Bank Deposits	Aa3/P-1
Baseline Credit Assessment	a2
Adjusted Baseline Credit Assessment	a2
Counterparty Risk Assessment	A1(cr)/P-1(cr)
Issuer Rating -Dom Curr	A2
PARENT: VONTOBEL HOLDING AG	
Outlook	Negative
Issuer Rating	A2
Pref. Stock Non-cumulative	Baa2 (hyb)

Source: Moody's Ratings

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