



## **Rating Action: Moody's Ratings downgrades Bank Vontobel's and Vontobel Holding's issuer ratings to A3 from A2, outlook stable**

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08 Aug 2025

Frankfurt am Main, August 08, 2025 -- Moody's Ratings (Moody's) has today downgraded the long-term issuer and senior unsecured debt ratings of Bank Vontobel AG (Bank Vontobel or 'the bank') and the long-term issuer ratings of its parent Vontobel Holding AG (Vontobel Holding or 'the group') to A3 from A2, and changed the outlooks on these ratings to stable from negative. We also downgraded Vontobel Holding's preferred stock non-cumulative rating to Baa3(hyb) from Baa2(hyb).

At the same time, we affirmed Bank Vontobel's Aa3/P-1 long- and short-term deposit ratings and its A2/P-1 long- and short-term Counterparty Risk Ratings (CRR). The outlook on the long-term deposit ratings was changed to stable from developing.

Concurrently, we downgraded Bank Vontobel's Baseline Credit Assessment (BCA) and Adjusted BCA to a3 from a2 and affirmed its A1(cr)/P-1(cr) long- and short-term Counterparty Risk Assessment (CR Assessment).

### **RATINGS RATIONALE**

#### **DOWNGRADE OF BANK VONTOBEL'S BASELINE CREDIT ASSESSMENT AND ADJUSTED BCA**

The downgrade of Bank Vontobel's BCA to a3 from a2 reflects the limited measurable success of Vontobel Holding's efforts to reinvigorate its asset management operations, weighing on the group's franchise, and the firm embeddedness of the bank within the group, which leads us to consider the risk profile of the group's business outside of Bank Vontobel's wealth management a key driver of the bank's creditworthiness.

The bank's a3 BCA further incorporates the bank's and group's sound capital buffers, low risks from lending activities, strong liquidity buffers and a successful track record in wealth management and structured products issuance. As a result of the group's asset and wealth management focused business model, asset and funding risks mainly result from operational, reputational and market risks, as well as from a funding profile dominated by uninsured private banking customer deposits.

#### **DOWNGRADE OF SENIOR UNSECURED AND ISSUER RATINGS**

The downgrade of Bank Vontobel's senior unsecured debt and of the bank's and group's issuer ratings to A3 from A2 reflects the downgrade of the bank's BCA and Adjusted BCA, an unchanged outcome of our Advanced Loss Given Failure (LGF) analysis, which results in no rating uplift for these ratings, and no uplift from government support considerations because of our unchanged view that neither the bank nor the group are of domestic system relevance for financial system stability.

#### **AFFIRMATION OF BANK VONTOBEL'S LONG-TERM DEPOSIT RATINGS**

The affirmation of Bank Vontobel's Aa3 long-term deposit ratings and A2 long-term CRRs reflects the offsetting effects of the BCA downgrade and of a reduced loss severity following recent issuance of loss-absorbing debt, reflected in an additional notch of uplift from our Advanced LGF analysis for these liability classes. For deposits, the Advanced LGF analysis now indicates an extremely low loss severity and results in three notches (up from formerly two notches) of uplift from the a3 Adjusted BCA.

### **STABLE OUTLOOK**

We changed the outlooks for the bank and the group's issuer ratings and the bank's senior unsecured debt

ratings to stable from negative and for the bank's deposits ratings to stable from developing. The stable outlook reflects our view that Bank Vontobel's credit profile remains safely anchored at the a3 BCA level and that the increased LGF outcome from the changed liability structure is sustainable over our outlook horizon.

#### FACTORS THAT COULD LEAD TO AN UPGRADE OR DOWNGRADE OF THE RATINGS

The long-term ratings could be upgraded in the case of an upgrade of the bank's BCA and Adjusted BCA. Except for Bank Vontobel's deposit ratings, which benefit from the maximum uplift under our Advanced LGF analysis, the ratings may also be upgraded as a result of significant Additional Tier 1 or subordinated debt issuance, such that it reduces the loss severity of instrument classes and yield improved uplift from our Advanced LGF analysis.

The bank's BCA may be upgraded if the group achieves a sustained strengthening of its capitalization in conjunction with a sustained recovery and improvement of its asset management franchise in combination with a strengthening of its funding and liquidity profile.

The ratings could be downgraded in case of a downgrade of the bank's BCA and Adjusted BCA. The long-term ratings could also be downgraded because of a significant decrease in the existing bail-in-able debt buffers, leading to higher loss severity for its various debt classes, resulting in reduced uplift from our Advanced LGF analysis.

The bank's BCA and Adjusted BCA could be downgraded in case acquisitive growth weakened the financial profiles of bank and group and gave rise to significant execution or integration risks. We may also downgrade the bank's BCA in case of a reduction of the strong liquidity and capital buffers, or if operational, reputational or legal risks that are inherent to the private banking business model were to materialize.

#### PRINCIPAL METHODOLOGY

The principal methodology used in these ratings was Banks published in November 2024 and available at <https://ratings.moodys.com/rmc-documents/432741>. Alternatively, please see the Rating Methodologies page on <https://ratings.moodys.com> for a copy of this methodology.

The net effect of any adjustments applied to rating factor scores or scorecard outputs under the primary methodology(ies), if any, was not material to the ratings addressed in this announcement.

#### REGULATORY DISCLOSURES

For further specification of Moody's key rating assumptions and sensitivity analysis, see the sections Methodology Assumptions and Sensitivity to Assumptions in the disclosure form. Moody's Rating Symbols and Definitions can be found on <https://ratings.moodys.com/rating-definitions>.

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