Vontobel

Disclosure Report according to FINMA Circular 16/1 "Disclosure – Banks"

2023

Imprint

Concept
MetaDesign AG

Layout & implementation
Vontobel and NeidhartSchön AG

PUBLISHING-SYSTEM
Multimedia Solutions AG, Zurich

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Introduction

Vontobel is subject to the full disclosure requirements for capital adequacy according to the conditions defined in Circular 2016/1 “Disclosure – Banks” of the Swiss Financial Market Supervisory Authority (FINMA).

The group publishes the quantitative information according to the circular[1] in a separate report in addition to the Annual Report. Most of the required qualitative information is disclosed in the Annual Report 2023 (AR 2023) of Vontobel under “Risk management and risk control” and “Capital” (AR 2023, page 167ff.). This specifically includes the description of the strategy, processes and organisation employed for managing credit risks and counterparty risks, market risks in the trading book and banking book as well as operational risks.

In section “3. Market risk” (AR 2023, page 168ff.), the methods and processes employed for measuring and limiting market risks are explained. For the trading book, Vontobel calculates regulatory capital requirements based on the standard approach for market risks.

The assumptions applied for determining interest rate risk are described in section “3.3 Market risks related to the balance sheet structure” (AR 2023, page 168ff.). This section also contains an explanation of the methods used in practice to hedge or reduce the risks related to changes in interest rates.

Section “4. Liquidity risk and refinancing” (AR 2023, page 173ff.) describes the strategies and guidelines to manage liquidity risk under stressed conditions within the defined liquidity risk tolerance.

In section “5. Credit, counterparty and issuer risk” (AR 2023, page 175ff.), the risk practice and the practice in relation to collateral are explained. External ratings from Standard & Poor’s, Moody’s, Fitch and Fedafin are employed for determining the risk weighting of amounts due from banks and of the debt instruments in the banking book. The Standardised Approach (SA-BIS) is applied for calculating capital requirements for credit risks. As part of the reduction of credit risks (risk migation), the comprehensive approach with standard haircuts defined by the supervisory authorities is applied for the recognition of collateral.

The basic indicator approach is used for calculating the capital adequacy for operational risks. Management and control of the operational risks are described in section “6. Operational risks” (AR 2023, page 178ff.).

The section “Capital” (AR 2023, page 181ff.) describes the capital management principles, the legal parameters and the consolidation scope used for calculating the required capital as well as the approaches applied by Vontobel.

The “Compensation Report” has already been published as an integral part of the Annual Report 2023 (page 59ff.).

The reference of each disclosure table corresponds to the references in annex 1 and 2 of the FINMA Circular 16/1, which also correspond to the references made in BCBS “Revised Pillar 3 disclosure requirements” (published in January 2015).

In accordance with margin no. 14.2 of the revised Circular 2016/1 the following tables are not included due to their lack of relevance or applicability: LI1, LI2, PV1, CCyB, CRB, CR4, CR5, CRE, CR6, CR7, CR8, CR9, CR10, CCR4, CCR5, CCR6, CCR7, CCR8, SECA, SEC1, SEC2, SEC3, SEC4, MRB, MR2, MR3, MR4.

[1] FINMA Circular 16/1 latest update as of December, 8th 2021

KM1: Basic regulatory key figures

IN 1,000 CHF		A 31.12.2023	B 30.09.2023	C 30.06.2023	D 31.03.2023	E 31.12.2022
Available capital						
1	Common Equity Tier 1 (CET1)	1,220,136		1,155,455		1,052,691
1a	Common Equity Tier 1 capital without the effects of the trasitional provisions for expected losses					
2	Tier 1 Capital (T1)	1,552,333		1,605,290		1,502,279
2a	Tier 1 capital without the effects of the trasitional provisions for expected losses					
3	Total capital	1,552,333		1,605,290		1,502,279
3a	Total capital without the effects of the trasitional provisions for expected losses					
Risk-weighted assets (RWA) (CHF)						
4	Total risk-weighted assets (RWA)	6,523,903		6,691,118		6,304,060
4a	Minimum capital	521,912		535,289		504,325
Risk-based capital ratios (in % of RWA)						
5	CET1 ratio (%)	18.7%		17.3%		16.7%
5a	CET1 ratio without the effects of the trasitional provisions for expected losses (%)					
6	Tier 1 capital ratio (%)	23.8%		24.0%		23.8%
6a	Tier 1 capital ratio without the effects of the trasitional provisions for expected losses (%)					
7	Total capital ratio (%)	23.8%		24.0%		23.8%
7a	Total capital ratio without the effects of the trasitional provisions for expected losses (%)					
Additional CET1 buffer requirements (in % of RWA)						
8	Capital conservation buffer requirement (2.5% from 2019) (%)	2.5%		2.5%		2.5%
9	Countercyclical buffer requirement (%)	0.0%		0%		0%
10	Bank G-SIB and / or D-SIB additional requirements (%)	0%		0%		0%
11	Total of bank CET1 specific buffer requirements (%)	2.5%		2.5%		2.5%
12	CET1 available after meeting the bank's minimum capital requirements (%)	14.2%		12.8%		12.2%
Target capital ratios according to Annex 8 CAO (% of RWA)						
12a	Capital buffer in accordance with Basel Minimum Standards (%)	4%		4%		4%
12b	Countercyclical buffer (Article 44a CAO) in accordance with Basel Minimum Standards (%)	0.2%		0.2%		0.2%
12c	Additional capital buffer due to national or international systemic importance (%)	8.0%		8.0%		8.0%
12d	Overall buffer requirements in accordance with Basel Minimum Standards in CET1 quality (%)	9.8%		9.8%		9.8%
12e	Total capital target ratio (in %) in accordance with Annex 8 of the CAO plus countercyclical buffer in accordance with Art. 44 and 44a CAO	12.2%		12.2%		12.2%
Basel III leverage ratio						
13	Total exposure	28,931,873		31,827,422		30,025,805
14	Basel III leverage ratio (Tier 1 capital % of the total exposure)	5.4%		5.0%		5.0%
14a	Basel III leverage ratio (Tier 1 capital % of the total exposure) without the effects of the trasitional provisions for expected losses					

	IN 1,000 CHF	A 31.12.2023	B 30.09.2023	C 30.06.2023	D 31.03.2023	E 31.12.2022
	Liquidity Coverage Ratio					
15	LCR numerator: Total high quality liquid assets (HQLA) (3-month average)	9,670,106	9,768,761	9,613,360	9,899,019	10,180,394
16	LCR denominator: Total net cash outflow (3-month average)	4,426,009	4,897,240	5,366,717	5,574,801	6,202,652
17	LCR (in %)	218.5%	199.5%	179.1%	177.6%	164.1%
	Net Stable Funding Ratio					
18	Available stable refinancing	14,136,395		15,125,852		15,009,139
19	Required stable refinancing	12,404,091		13,315,556		12,390,046
20	Net stable funding ratio (NSFR) (in %)	114.0%		113.6%		121.1%

OVA: Bank risk management

The qualitative disclosures on the bank's strategy and how the board of directors and senior management assess and manage risks, enabling users to gain a clear understanding of the bank's risk tolerance and appetite in relation to its main activities and all significant risks, are published in the Annual Report in the section "Risk management and risk control" (AR 2023, page 167ff.).

The disclosures include in particular full details of the strategies, processes and organisation to monitor and manage credit and counterparty risks, market and liquidity risks in the trading and in the banking book as well as operational risks on an enterprise-wide level.

OV1 : Overview of the risk weighted assets

	IN 1,000 CHF	A RWA 31.12.2023	B RWA 31.12.2022	C MINIMUM CAPITAL REQUIREMENT 31.12.2023
1	Credit risk (excluding counterparty credit risk (CCR))	2,437,083	2,183,871	194,967
2	*of which determined using the standardised approach (SA)*	*1,595,390*	*1,612,257*	*127,631*
3	*of which determined using the internal rating-based (F-IRB) approach*			
4	*of which determined using the supervisory slotting approach*			
5	*of which determined using the advanced internal ratings-based (A-IRB) approach*			
6	Counterparty credit risk (CCR)	149,110	156,918	11,929
7	*of which determined using standardised approach (SA-CCR)*	*149,110*	*156,918*	*11,929*
7a	*of which determined using simplified standard approach (SSA-CCR)*			
7b	*of which determined using the Current Exposure Method (CEM)*			
8	*of which determined using the internal model method (IMM or EPE model methods)*			
9	*of which other (CCR)*			
10	Valuation adjustment for risk derivatives (CVA)	41,194	44,911	3,296
11	Equity securities in banking book, determined using the market-based approach	27,156	27,187	2,172
12	Investments in managed collective investment schemes – look-through approach			
13	Investments in managed collective investment schemes – mandate-based approach	38,442	15,372	3,075
14	Investments in managed collective investment schemes – fall-back approach	10,630	13,812	850
14a	Equity investments in funds – simplified approach			
15	Settlement risk	334	154	27
16	Securitisation exposures in the banking book			
17	*of which under the internal ratings-based approach (SEC-IRBA)*			
18	*of which under the external ratings-based approach (SEC-ERBA), including the internal assessment approach (IAA)*			
19	*of which under the standardised approach (SEC-SA)*			
20	Market risk	1,245,611	1,279,987	99,649
21	*of which determined using the standardised approach (SA)*	*1,245,611*	*1,279,987*	*99,649*
22	*of which determined using the internal model approach (IMA)*			
23	*Capital requirements due to a charge of exposures between the trading book and the banking book*			
24	Operational risk	2,567,575	2,581,847	205,406
25	Amounts below the thresholds for deduction (amount subject to a risk weight of 250%)	6,768		541
26	Adjustment of the floor			
27	**Total (1+6+10+11+12+13+14+14a+15+16+20+23+24+25+26)**	**6,523,903**	**6,304,060**	**521,912**

LIA: Explanations of differences between accounting and regulatory exposures

Position values used for regulatory calculations are consistent with book values according to the financial statements prepared in compliance with International Reporting Standards (IFRS) as published by the International Accounting Standards Board (IASB). The accounting principles applied by Vontobel are fully described in the Annual Report “Accounting principles” section (AR 2023, page 162ff.).

In accordance with guidelines for prudential valuation Vontobel uses systems and checks to ensure that estimates are conservative and reliable.

Valuation methodologies
As stated in the appendix to the Annual Report in the section describing the application of the fair value concept of IFRS, the financial instruments are valued mark-to-market if the value can be derived from traded/exchanged prices at active markets. In principle for all equities, traded investment funds and exchanged traded derivatives closing or settlement prices are used. For liquid interest rate products, foreign currencies and precious metals, commonly accepted prices are applied. For non-traded investment funds the published net asset values are being used. The fair value-determination of the products issued by Vontobel, OTC derivatives or interest rate products with insufficient liquidity is being done according to the mark-to-model approach with recognised valuation models.

The Annual Report explains the details of the attribution of the products to the IFRS valuation hierarchy in the note “27 Fair value of financial intruments” (AR 2023, page 210ff.).

Independent valuation controls
The organisational unit Transaction Banking provides price verifications for mark-to-market priced financial instruments. The unit Primary Risk Control ensures the plausibility process for mark-to-model priced financial instruments. First and foremost the applied input parameters are being verified by comparing with up-to-date market data. Further the categorisation of parameters and model attribution are being done. Finally, a comprehensive independent revaluation of all mark-to-model positions is being done and compared with the trading valuation. In case of any deviations bigger than the defined threshold adjustments with P&L impact are being initiated. Further controls are in place as part of the new product implementation process as well as for the verification of valuation models in use.

Valuation adjustments
According to the appendix of the Annual Report, general valuation adjustments (AR 2023, page 215ff.) of products issued by Vontobel are being done in order to consider model, parameter insecurity and early redemption risks. Main elements are the position value and the maturity as well as a specific mark up for the various instrument classes. The matrix of these mark ups as well as the sum of valuation reserves per instrument class are being reported internally on a monthly basis.

CC1: Presentation of eligible regulatory capital

IN 1,000 CHF		A NET AMOUNTS[1] 31.12.2023	B NET AMOUNTS[1] 31.12.2022	B REFERENCES TO TABLE CC2
Common Equity Tier 1 (CET1)				
1	Issued fully paid-up capital, fully eligible	56,875	56,875	5
2	Retained earnings reserve, incl. Reserves for general banking risks / Retained earning - loss / Accumulated profit - loss	2,035,477	1,961,757	
3	Capital reserves / foreign currency translation reserves (+ / –)			
4	Issued fully paid-up capital, transitory recognised (phase out)			
5	Minority interests			
6	Common Equity Tier 1 (CET1) before adjustments	2,092,352	2,018,632	
	Adjustments referring to Common Equity Tier 1			
7	Prudential valuation adjustments			
8	Goodwill (net of related tax liability)	–526,410	–528,500	1
9	Other intangible assets other than mortgage-servicing rights (net of related tax liability)	–87,165	–101,129	2
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	–11,996	–14,909	3
11	Cash-flow hedge reserve (+ / –)			
12	Shortfall of provisions to expected losses			
13	Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)			
14	Gains and losses due to changes in own credit risk on fair valued liabilities	2,700	–2,617	
15	Defined-benefit pension fund net assets	–20,950	–8,810	4
16	Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	–93,560	–113,719	6
17	Reciprocal cross-holdings in common equity			
18	Not qualified participations in the financial segments (max 10 %) (Amount exceeding treshold 1) (CET1-Instruments)			
19	Other qualified particiapations in the financing segement (Amount exceeding treshold 2) (CET1-Instruments)			
20	Mortgage servicing rights (amount above threshold 2)			
21	Deferred tax assets arising from temporary differences (amount above threshold 2, net of related tax liability)			
22	Amount exceeding the threshold 3 (15 %)			
23	*of which: significant investments in the common stock of financials*			
24	*of which: mortgage servicing rights*			
25	*of which: deferred tax assets arising from temporary differences*			
26	Expected loss for investments based on the PD / LGD-approach			
26a	Further adjustments for financial statements with generally accepted international accounting standards	–57,770	–73,199	
26b	Further deductions	–77,065	–123,058	
27	Amount of AT1 deductions, which exceeds the AT1-capital			
28	Sum of CET1-Adjustments	–872,216	–965,941	
29	Common Equity Tier 1 (net CET1)	1,220,136	1,052,691	
Additional Tier 1 Capital (AT1)				
30	Directly issued qualifying Additional Tier 1 instruments plus related stock surplus	332,198	449,588	
31	*of which: classified as equity under applicable accounting standards*			
32	*of which: classified as liabilities under applicable accounting standards*	*332,198*	*449,588*	
33	Directly issued capital instruments subject to phase out from Additional Tier 1			
34	Minority interests eligible for AT1			
35	*of which: transitorily recognised*			
36	Sum of additional Tier 1 capital (AT1), before adjustments	332,198	449,588	
	Adjustments of additional Tier 1 capital			
37	Net long position in own AT1 instruments			
38	Reciprocal cross-holdings (AT1-Instruments)			

IN 1,000 CHF		A NET AMOUNTS[1] 31.12.2023	B NET AMOUNTS[1] 31.12.2022	B REFERENCES TO TABLE CC2
39	Non-qualifying holdings (max. 10%) in financial sector (amount exceeding treshold 1) (AT1-Instruments)			
40	Other qualifying holdings in financial sector (AT1-Instruments)			
41	Other deductions			
42	Amount of T2 deductions, which exceed the T2-capital			
43	Sum of AT1-Adjustments			
44	Additional Tier 1 capital (AT1)	332,198	449,588	7
45	Tier 1 capital (CET1 + AT1)	1,552,333	1,502,279	
Eligible Tier 2 Capital (T2)				
46	Directly issued qualifying Tier 2 instruments plus related stock surplus			
47	Directly issued capital instruments subject to phase out from Tier 2			
48	Minority interests eligible for T2			
49	of which : transitorily recognised (phase out)			
50	Value adjsutments; Provisions and losses due to reasons of prudence (12); forced reserves on financial investments			
51	Eligible Tier 2 capital (T2) before adjustments			
	Adjustments of Tier 2 capital			
52	Net long position in own T2 instruments			
53	Reciprocal cross-holdings (T2- Instruments)			
54	Non-qualifying holdings (max. 10%) in financial sector (amount exceeding treshold 1) (T2-Instruments)			
55	Other qualifying holdings in financial sector (T2-Instruments)			
56	Other deductions			
56a	Sureplus of deductions to be allocated to AT1-capital			
57	Sum of T2 Adjustments			
58	Tier 2 capital (T2)			
59	Total regulatory capital (net T1 + net T2)	1,552,333	1,502,279	
60	Total risk weighted assets	6,523,903	6,304,060	
Capital Ratios				
61	Common Equity Tier 1 (as a percentage of risk weighted assets) para 29	18.7%	16.7%	
62	Tier 1 (as a percentage of risk weighted assets) para 45	23.8%	23.8%	
63	Total capital (as a percentage of risk weighted assets) para 59	23.8%	23.8%	
64	Institution-specific buffer requirement (capital conservation buffer plus countercyclical buffer requirements plus supplementary buffer for systemically important institutions)(in % of RWA)	2.7%	2.7%	
65	*of which: Conservation buffer requirement international, incl. phase-in (in % of risk weighted position)*	*2.5%*	*2.5%*	
66	*of which: Countercyclical buffer requirement (in % of risk weighted position)*	*0.2%*	*0.2%*	
67	*of which: International supplementary buffer for systemically important institutions (in % of risk weighted positions)*	*0.0%*	*0.0%*	
68	CET1 available after meeting the bank's minimum capital requirements (in % of RWA)	14.2%	12.2%	
68a	CET1 capital target + countercyclical buffer, depending on the category (in % of RWA)	8.0%	8.0%	
68b	*of which: countercyclical buffer according to Art. 44 and 44a CAO (in % of RWA)*	*0.2%*	*0.2%*	
68c	Available CET1 capital to meet CET1 target + countercyclical buffer (after deduction of CET1 capital used to cover T2 and AT1 capital needs) (in % of risk weighted positions)	18.7%	16.7%	
68d	T1 capital target + countercyclical buffer, depending on the category (in % RWA)	9.8%	9.8%	
68e	Available AT1 & CET1 capital to meet T1 capital target + countercyclical buffer (in % of RWA)	21.4%	21.4%	
68f	Total regulatory capital requirement in accordance with Annex 8 CAO plus the countercyclical buffer in accordance with Art. 44 and 44a CAO (as % of RWA)	12.2%	12.2%	
68g	Total capital ratio (in % of RWA)	23.8%	23.8%	

IN 1,000 CHF		A NET AMOUNTS[1] 31.12.2023	B NET AMOUNTS[1] 31.12.2022	B REFERENCES TO TABLE CC2
Amounts below treshold for deductions (before risk weighting)				
72	Non-qualifying holdings in financial sector			
73	other qualifying holdings in financial sector			
74	Mortgage servicing rights			
75	Other deferred tax			
Applicable caps on the inclusion of provisions in Tier 2				
76	Allowable value adjustments in T2 under the SA-BIZ approach			
77	Cap on inclusion of provisions in Tier 2 under standardised approach BIS	22,273	22,342	
78	Provisions eligible for inclusion in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to application of cap)			
79	Ceiling for inclusion of provisions in Tier 2 under internal ratings-based approach			
Capital instruments with phase-out (1.1.2028 – 1.1.2022) as per Article 141 CAO				
80	Ceiling for CET1 instruments with phase-outs			
81	Amount not taken into accouint in CET1 (above the ceiling)			
82	Ceiling for AT1 instruments with phase-outs			
83	Amount not taken into accouint in AT1 (above the ceiling)			
84	Ceiling for T2 instruments with phase-outs			
85	Amount not taken into accouint in T2 (above the ceiling)			

[1] after consideration of the transitional provisions

CC2 : Composition of eligible capital / reconciliation

BALANCE-SHEET	A AND B	A AND B	C
	ACCORDING TO THE ACCOUNTING PRACTICES AND THE REGULATORY SCOPE OF CONSOLIDATION	ACCORDING TO THE ACCOUNTING PRACTICES AND THE REGULATORY SCOPE OF CONSOLIDATION	REFERENCES TO TABLE CC1
IN 1,000 CHF	31.12.2023	31.12.2022	
Assets			
Liquid assets	3,494,502	3,884,212	
Amounts due from banks	1,816,427	1,575,059	
Amounts due from securities financing transactions	19	893,984	
Amounts due from customers	4,526,343	5,717,401	
Mortgage loans	1,785,707	1,744,853	
Trading portfolio assets	4,577,417	4,651,659	
Positive replacement values of derivative financial instruments	317,740	439,401	
Other financial instruments at fair value	9,713,471	8,297,197	
Financial investments	1,145,820	1,727,288	
Accrued income and prepaid expenses	212,649	170,836	
Participations	2,707	3,665	
Tangible fixed assets	366,251	383,948	
Intangible assets	613,575	629,629	
of which goodwill	*526,410*	*528,500*	*1*
of which other intangible assets	*87,165*	*101,129*	*2*
Other assets	573,389	390,087	
of which deferred taxes depending on future revenues	*11,582*	*14,909*	*3*
of which defined-benefit pension fund net assets	*20,950*	*8,810*	*4*
Capital not paid in			
Total assets	**29,146,017**	**30,509,218**	
Liabilities			
Amounts due to banks	1,275,664	1,140,491	
Liabilities from securities financing transactions	0	92,520	
Amounts due in respect of customer deposits	9,951,469	13,240,870	
Trading portfolio liabilities	189,772	170,429	
Negative replacement values of derivative financial instruments	1,007,942	1,190,988	
Liabilities from other financial instruments at fair value	12,180,108	10,124,222	
Cash bonds			
Bond issues and central mortgage institution loans	646,719	1,043,188	7
Accrued expenses and deferred income	372,351	353,952	
Other liabilities	1,786,924	1,473,015	
Provisions	15,067	14,863	
of which deferred tax on goodwill			
of which deferred tax on other intangible assets			
Total Liabilities	**27,053,665**	**28,490,586**	
of which subordinated loans, eligible for Tier 2 capital (T2)			
of which subordinated loans, eligible for additional Tier 1 capital (AT1)			

BALANCE-SHEET	A AND B	A AND B	C
	ACCORDING TO THE ACCOUNTING PRACTICES AND THE REGULATORY SCOPE OF CONSOLIDATION	ACCORDING TO THE ACCOUNTING PRACTICES AND THE REGULATORY SCOPE OF CONSOLIDATION	REFERENCES TO TABLE CC1
IN 1,000 CHF	31.12.2023	31.12.2022	
Equity			
Reserves for general banking risks			
Capital	56,875	56,875	
of which eligible for CET1	*56,875*	*56,875*	*5*
of which eligible for AT1			
Legal reserves / Voluntary retained earnings reserve / Profit- Loss carried forward / Profit- Loss of period	2,129,037	2,075,476	
Own shares	–93,560	–113,719	6
Minority interests	0	0	
of which eligible for CET1			
of which eligible for AT1			
Total own funds	**2,092,352**	**2,018,632**	

Remarks

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 section “Scope of consolidation” (AR 2023, page 244ff.) for further details. With the exception of the statutory regulations, no restrictions apply that prevent the transfer of money or capital within the Group.

LR1: Leverage ratio Comparison of accounting assets versus leverage ratio exposure

IN 1,000 CHF		31.12.2023	31.12.2022
1	Total consolidated assets as per published financial statements	29,146,017	30,509,218
1a	Differences between published financial statements and the basis of calculation for the determination of the total exposure		
2	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes (Cm 6 and 7 FINMA-Circ. 15/3) but outside the scope of regulatory consolidation (Cm 16 and 17 FINMA-Circ. 15/3)	–701,591	–795,316
3	Adjustment for fiduciary assets recognised on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure (Cm 15 FINMA-Circ. 15/3)		
4	Adjustments for derivative financial instruments (Cm 21 to 51 FINMA-Circ. 15/3)	298,920	155,027
5	Adjustment for securities financing transactions (i. e. repos and similar secured lending) (Cm 52 to 73 FINMA-Circ. 15/3)	24,044	16,729
6	Adjustment for off-balance sheet items (i. e. conversion to credit equivalent amounts of off-balance sheet exposures) (Cm 74 to 76 FINMA-Circ. 15/3)	164,482	140,147
7	Other adjustments	0	0
8	**Total exposure for leverage ratio (sum of lines 1-7)**	**28,931,873**	**30,025,805**

LR2: Leverage ratio Detailed presentation

IN 1,000 CHF		31.12.2023	31.12.2022
On-balance sheet exposures			
1	On-balance sheet items (excluding derivatives and SFTs, but including collateral) (Cm 14 and 15 FINMA-Circ. 15/3)	28,828,259	29,175,833
2	Asset amounts deducted in determining Basel III Tier 1 capital (Cm 7, 16 and 17 FINMA-Circ. 15/3)	–701,591	–795,316
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	28,126,667	28,380,518
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) (according to Cm 22 and 23, 34 and 35 FINMA-Circ. 15/3)	100,423	111,229
5	Add-on amounts for PFE associated with all derivatives transactions (Cm 22 and 25 Circ.-FINMA 15/3)	391,095	334,544
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework	0	0
7	Deductions of receivables assets for cash variation margin provided in derivatives transactions (Cm 36 FINMA-Circ. 15/3)	0	0
8	Exempted CCP leg of client-cleared trade exposures (Cm 39 FINMA-Circ. 15/3)	–70,766	–58,828
9	Adjusted effective notional amount of written credit derivatives (Cm 43 FINMA-Circ. 15/3)	196,524	209,704
10	Adjusted effective notional offsets (Cm 44 to 50 FINMA-Circ. 15/3) and add-on deductions for written credit derivatives (Cm 51 FINMA-Circ. 15/3)	–616	–2,222
11	Total derivative exposures (sum of lines 4 to 10)	616,660	594,428
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions (Cm 69 and 58 Circ.-FINMA 15/3)	19	893,984
13	Netted amounts of cash payables and cash receivables of gross SFT assets (Cm 59 to 62 FINMA-Circ. 15/3)	0	0
14	CCR exposure for SFT assets (Cm 63 to 68 FINMA-Circ. 15/3)	24,044	16,729
15	Agent transaction exposures (Cm 70 to 73 FINMA-Circ. 15/3)	0	0
16	Total securities financing transaction exposures (sum of lines 12 to 15)	24,063	910,713
Other off-balance sheet exposures			
17	Off-balance sheet gross nominal values before the application of credit conversion factors	390,171	251,230
18	Adjustments for conversion to credit equivalent amounts (Cm 75 and 76 FINMA-Circ. 15/3)	–225,689	–111,083
19	Off-balance sheet positions (sum of lines 17 and 18)	164,482	140,147
Capital and total exposures			
20	Capital and total exposures (Cm 5 FINMA-Circ. 15/3)	1,552,333	1,502,279
21	Total exposures (sum of lines 3, 11, 16 and 19)	28,931,873	30,025,805
Leverage ratio			
22	**Basel III leverage ratio (Cm 3 to 4 FINMA-Circ. 15/3)**	**5.4%**	**5.0%**

LIQA: Liquidity risk

The main characteristics and elements of liquidity risk management are fully described in the Annual Report in section “4. Liquidity risk and refinancing” (AR 2023, page 173ff.).

LIQ1: Liquidity Coverage Ratio (LCR)

	IN 1,000 CHF.	UNWEIGHTED VALUES (MONTHLY AVERAGES) 4TH QUARTER 2023	WEIGHTED VALUES (MONTHLY AVERAGES) 4TH QUARTER 2023	UNWEIGHTED VALUES (MONTHLY AVERAGES) 3RD QUARTER 2023	WEIGHTED VALUES (MONTHLY AVERAGES) 3RD QUARTER 2023
A. High-quality liquid assets (HQLA)					
1	Total high-quality liquid assets (HQLA)		9,670,106		9,768,761
B. Cash outflows					
2	Retail deposits and deposits from small business customers	6,479,021	831,707	6,934,856	888,149
3	*of which: stable deposits*	*1,027,199*	*51,360*	*1,060,639*	*53,032*
4	*of which: less stable deposits*	*5,451,821*	*780,347*	*5,874,217*	*835,118*
5	Unsecured wholesale funding:	5,855,730	4,654,763	6,295,886	5,084,523
6	*of which: operational deposits (all counterparties)*	*64,507*	*11,110*	*64,105*	*11,037*
7	*of which: non-operational deposits (all counterparties)*	*4,047,326*	*2,899,756*	*4,546,776*	*3,388,481*
8	*of which: unsecured debt instruments*	*1,743,897*	*1,743,897*	*1,685,004*	*1,685,004*
9	Secured wholesale funding		301		217
10	Additional cash outflows:	1,254,863	568,284	1,229,350	540,048
11	*of which: outflows related to derivative exposures and other collateral requirements*	*1,174,521*	*562,281*	*1,137,139*	*533,451*
12	*of which: outflows related to loss of funding on debt products*	*0*	*0*	*0*	*0*
13	*of which: committed credit and liquidity facilities*	*80,342*	*6,004*	*92,211*	*6,597*
14	Other contractual funding obligations	0	0	0	0
15	Other contingent funding obligations	11,205,150	293,431	11,796,584	316,286
16	Total cash outflows		6,348,486		6,829,223
C. Cash inflows					
17	Secured lending (e.g. reverse repos)	323	323	0	0
18	Cash inflows from non-impaired receivables	2,797,448	1,723,074	2,813,850	1,692,552
19	Other cash inflows	321,521	321,521	332,146	332,146
20	Total cash inflows	3,119,292	2,044,917	3,145,995	2,024,697
Total adjusted values					
21	**Total HQLA**		**9,670,106**		**9,768,761**
22	**Total net cash outflows (including the impact of collateral swaps)**		**4,426,009**		**4,897,240**
23	**Liquidity coverage ratio (LCR) (in %)**		**218.5%**		**199.5%**

LIQ2 : Net Stable Funding Ratio (NSFR)

31.12.2023 IN 1,000 CHF		A UNWEIGHTED VALUE BY RESIDUAL MATURITY NO MATURITY	B < 6 MONTHS	C ≥ 6 MONTHS TO < 1 YEAR	D ≥ 1 YEAR	E WEIGHTED VALUE
Available stable funding (ASF)						
1	Capital[1]	2,152,560	0		101,365	2,253,925
2	*of which: regulatory capital before deductions*	*2,152,560*	*0*			*2,152,560*
3	*of which: other capital instruments*				*101,365*	*101,365*
4	Demand deposits and / or term deposits of private customers and small business customers:	5,622,295	2,441,263	283,990	80,676	7,645,403
5	*of which: stable deposits*	*1,016,572*	*21,397*	*700*	*0*	*986,735*
6	*of which: less stable deposits*	*4,605,723*	*2,419,867*	*283,290*	*80,676*	*6,658,667*
7	Unsecured funding deposited by non-financial institutions (without small business customers) (wholesale customers):	1,466,458	677,788	13,591	7,060	1,085,978
8	*of which: operational deposits*		*0*			*0*
9	*of which: non-operational deposits*	*1,466,458*	*677,788*	*13,591*	*7,060*	*1,085,978*
10	Liabilities with matching interdependent assets		0	0	0	0
11	Other liabilities:	5,900,716	4,424,526	1,745,826	2,398,077	3,151,089
12	*of which: derivative liabilities*				*264,821*	
13	*of which: all other liabilities and equity not included in the above categories*	*5,900,716*	*4,424,526*	*1,745,826*	*2,133,257*	*3,151,089*
14	**Total available stable funding (ASF)**					**14,136,395**
Required stable funding (RSF)						
15	Total NSFR high-quality liquid assets (HQLA)	4,646,683	3,647,390	1,072,058	1,477,219	790,388
16	Deposits held at other financial institutions for operational purposes	472,086	0			236,043
17	Performing loans and securities:	1,999,876	3,392,453	1,439,597	6,845,269	8,545,626
18	*of which: performing loans to financial institutions secured by Level 1 and 2a HQLA*		*0*			*0*
19	*of which: performing loans to financial institutions secured by non-Level 1 and L2a HQLA and unsecured performing loans to financial institutions*	*1,035,054*	*113,228*	*24,099*	*6,715*	*191,006*
20	*of which: performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, central banks and PSEs, of which:*	*398,279*	*2,138,005*	*352,755*	*988,334*	*2,281,476*
21	*of which: with a risk weight of less than or equal to 35 % under the Basel II standardised approach for credit risk*				*0*	*0*
22	*of which: performing residential mortgages:*	*32,670*	*106,372*	*98,224*	*1,473,864*	*1,086,622*
23	*of which: with a risk weight of less than or equal to 35 % under the Basel II standardised approach for credit risk*	*28,126*	*102,499*	*93,925*	*1,423,981*	*1,037,863*
24	*of which: securties that are not in default and do not qualify as HQLA, including exchange-traded shares*	*533,873*	*1,034,847*	*964,519*	*4,376,356*	*4,986,522*
25	Assets with associated interdependent liabilities		0	0	0	0
26	Other assets:	2,693,572	79,454	34,460	769,722	2,811,007
27	*of which: physical traded commodities, including gold*	*1,239,170*				*1,053,294*
28	*of which: assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*				*33,704*	*28,648*
29	*of which: NSFR derivative assets*				*–129,857*	*0*
30	of which: NSFR derivative liabilities before deduction of variation margin posted				804,821	160,964
31	*of which: all other assets not included in the above categories*	*1,454,402*	*79,454*	*34,460*	*61,054*	*1,568,100*
32	Off-balance sheet items		45,339	44,022	99,141	21,028
33	**Total RSF**					**12,404,091**
34	**Net Stable Funding Ratio (%)**					**114.0%**

[1] Regulatory capital before the application of capital deductions.

CRA: Credit risk

The main characteristics and elements of credit risk management (business model and credit risk profile, organisation and functions involved in credit risk management, risk management reporting) are fully described in the Annual Report in section “5. Credit, counterparty and issuer risk” (AR 2023, page 175ff.).

CR1: Credit risk
Credit quality of assets

31.12.2023 IN 1,000 CHF		A GROSS CARRYING VALUES OF DEFAULTED EXPOSURES	B NON-DEFAULTED EXPOSURES	C ALLOWANCES/ IMPAIRMENTS	D NET VALUES (A + B - C)
1	On-balance sheet exposures (excluding debt securities)	45,227	6,301,138	34,683	6,311,682
2	Debt securities		1,043,075	159	1,042,916
3	Off-balance sheet exposures		385,500		385,500
4	**TOTAL Reporting period**	**45,227**	**7,729,713**	**34,842**	**7,740,098**

31.12.2022 IN 1,000 CHF		A GROSS CARRYING VALUES OF DEFAULTED EXPOSURES	B NON-DEFAULTED EXPOSURES	C ALLOWANCES/ IMPAIRMENTS	D NET VALUES (A + B - C)
1	On-balance sheet exposures (excluding debt securities)	58,300	7,439,372	35,418	7,462,254
2	Debt securities		1,604,966		1,604,966
3	Off-balance sheet exposures		251,230		251,230
4	**TOTAL Reporting period**	**58,300**	**9,295,567**	**35,418**	**9,318,449**

CR2: Credit risk Changes in stock of defaulted loans and debt securities

The disclosures can be found in the Annual Report in note 28 “Credit risks and expected credit losses” (AR 2023, page 217ff.).

CRC: Credit risk Information on risk mitigation techniques

The main characteristics of Vontobel's risk mitigation techniques are fully described in the Annual Report in section "5. Credit, counterparty and issuer risk" (AR 2023, page 175ff).

Main characteristics of the internal rules and processes with regard to the on and off balance sheet netting are described in the Annual Report 2023 on page 175ff., chapter 5.3.

Main characteristics of the internal rules and processes with regard the valuation and management of guarantees are described in the Annual Report on page 175ff., chapter 5.2. and 5.3. In the wealth management business, guarantees are accepted with a minimum rating of A-.

Information on concentration in market or credit risk in regard to risk reducing instruments (i.e. based on type of guarantor, collateral of guarantor and guarantor in case of credit derivatives) are explained in the Annual Report, chapter 5.3, as part of the explanation of the prevention of concentration risks.

CRD: Credit risk Information on the use of external ratings in the standardized approach

External ratings are used to determine the risk weights for amounts due from banks and for debt instruments in the banking book. For the calculation of capital, Vontobel refers to the ratings of external rating agencies recognized by FINMA. It uses the ratings of Fitch, Moody's, S&P and Fedafin (public sector bodies only). If different ratings exist for a specific position, the allocation of the relevant rating is performed in accordance with the rules set out by the Basel Committee on Banking Supervision.

CR3: Credit risk mitigation techniques

31.12.2023 IN 1,000 CHF		A EXPOSURES UNSECURED CARRYING AMOUNT[1]	B1 EXPOSURES SECURED CARRYING AMOUNT[2]	B EXPOSURES SECURED BY COLLATER-AL	D EXPOSURES SECURED BY FINANCIAL GUARANTEES	F EXPOSURES SECURED BY CREDIT DERIVATIVES
1	On-balance sheet (excluding debt securities)	339,767	5,971,916	5,932,649	39,266	
2	Debt securities	1,042,916				
3	**TOTAL**	**1,382,682**	**5,971,916**	**5,932,649**	**39,266**	
4	of which defaulted	4,050	26,335	26,335	0	

31.12.2022 IN 1,000 CHF		A EXPOSURES UNSECURED CARRYING AMOUNT[1]	B1 EXPOSURES SECURED CARRYING AMOUNT[2]	B EXPOSURES SECURED BY COLLATER-AL	D EXPOSURES SECURED BY FINANCIAL GUARANTEES	F EXPOSURES SECURED BY CREDIT DERIVATIVES
1	On-balance sheet (excluding debt securities)	375,183	7,087,071	7,073,801	13,269	
2	Debt securities	1,604,966				
3	**TOTAL**	**1,980,149**	**7,087,071**	**7,073,801**	**13,269**	
4	of which defaulted	35,418	22,882	22,882	0	

[1] I.e. carrying amount of exposures (net of value adjustments) that do not benefit from any credit risk mitigation.
[2] I.e. carrying amount of exposures (net of value adjustments) partly or totally secured by collateral, regardless of what portion of the original exposure is secured.

CCRA: Counterparty credit risk

The main characteristics of counterparty credit risk management are fully described in the Annual Report in section "5. Credit, counterparty and issuer risk" (AR 2023, page 175ff.).

Applied methodology for the determination of operational limits as a function of internal capital allocation with regard to the counterparty risk and positions with central counterparties (CCPs)
In general, the principles of the counterparty risk management comprises a broad spectrum of activities and regulations which are based on the multidimensional operational limit system. For the management and the granting of limits the internal framework for professional counterparties is being applied and limits for uncollateralised counterparty credit positions as well as for collateralised exposures are in place per counterparty (including exposures from OTC-derivative and forward transactions as well as SLB/Repo transactions). The limits per counterparties are being allocated to the business units. The absolute amount of the limits are depending on the credit rating of the respective counterparty which is determined by the consolidated rating of acknowledged agencies. In addition further limitations per country, region or sensitivity of a rating category are being considered. In the case of CCPs the pledged margin requirement is considered for the disclosure.

Internal rules regarding guarantees and other risk mitigating techniques and assessment of counterparty risk including CCPs
Internal rules for handling guarantees and other risk mitigating techniques are described in the Annual Report, chapter 5.3 on page 175ff. Our holistic assessment of counterparty risks is based on a consolidated rating.

Internal rules regarding wrong-way-positions
Wrong-way-positions are implicitly governed by the internal rules and regulations in the above mentioned limit concept for professional counterparties. In a deteriorating situation of a counterparty, which goes alongside with the increase of the probability of default, the granted limits are being reduced in line with the applied instructions. Commercial credit lines are not being offered in principle by Vontobel.

Implications for the Bank in case of a deterioration of a rating and additional guarantee requirement
In case of a deterioration of the own credit rating the implications shall be limited. In case of a COSI/TCM collateralisation with significant volume no additional guarantee issuance is being performed (collateral management). Other kinds of OTC/Repo/SLB businesses are based on bilateral contracts which means that a rating deterioration would not immediately lead to an additional guarantee issuing but may lead to a revision of the modalities of the contract.

CCR3: Counterparty credit risk Positions by category and risk weighting according to the standardized approach

ASSET CLASSES / RISK WEIGHT 31.12.2023 IN 1,000 CHF		A 0%	C 20%	D 50%	E 75%	F 100%	G 150%	I TOTAL CREDIT EXPOSURE
1	Sovereigns and their central banks	22,771						22,771
2	Banks and securities traders	351,277	196,598	77,783		522		626,180
3	Public-sector entities and multilateral developments banks							
4	Corporates	6,067	365	345		64,298	12	71,088
5	Retail				7,755			7,755
6	Equity securities							
7	Other assets							
9	**TOTAL**	**380,116**	**196,963**	**78,128**	**7,755**	**64,820**	**12**	**727,794**

ASSET CLASSES / RISK WEIGHT 31.12.2022 IN 1,000 CHF		A 0%	C 20%	D 50%	E 75%	F 100%	G 150%	I TOTAL CREDIT EXPOSURE
1	Sovereigns and their central banks	22,848						22,848
2	Banks and securities traders	241,010	214,426	77,345		1,196		533,977
3	Public-sector entities and multilateral developments banks							
4	Corporates	9,589	845	31,154		38,571	112	80,272
5	Retail				3,222			3,222
6	Equity securities							0
7	Other assets	31,204		34,523				65,727
9	**TOTAL**	**304,650**	**215,271**	**143,022**	**3,222**	**39,768**	**112**	**706,046**

MRA: Market risk

The strategy, processes and organisation to manage market risks are fully described in the Annual Report in section "3. Market risk" (AR 2023, page 168ff.). In order to calculate capital adequacy requirements for market risks in the trading book Vontobel applies the standard approach.

General information
Main trading activity of Vontobel is the issuing of warrants, certificates and structured products and the hedging of resulting risks. There is no proprietary trading per se. As part of Vontobel's risk policy the relevant risk categories and the related risk profiles are being defined. Further competencies, organisation, methodologies and processes for the management and control of the respective risks are internally defined, regulated and documented. This is being reviewed and assessed in terms of adequacy by the Board of Directors at least on a yearly basis. Based on a systematic risk analysis which is being assessed with the Executive Committee the Board of Directors monitors the internal control system of Vontobel. The 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 within and outside the Trading Book. In the Trading Book, 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. Please refer to the Annual Report for further details.

Limit system
The limitation and monitoring of market risks is done based on a multi-stage limit system. Besides defined Value-at-Risk and Stress Exposure limits on global as well as trading unit level the system also defines various sensitivity and volume based limits for the limitation and management of risks.

Responsibilities and competencies
Responsibilities and competencies are defined as follows:
- The ultimate responsibility is with the Board of Directors.
- The operational implementation of the risk policy as well as the control of all risks are within the responsibility of the Executive Committee.
- The management of the client units and centers of excellence are responsible for the management of risks alongside the qualitative and quantitative parameters and targets.
- The center of excellence "Finance & Risk" is responsible for the monitoring of risks and as part of this organisational unit, the department "Primary Risk Control" is in charge of the monitoring of market and model risks.

Independent control functions
The head of the department "Primary Risk Control" is reporting to the Head of the center of excellence "Finance & Risk" who is independent from the client units and is a member of the Executive Committee. The duties of Primary Risk Control are first of all the identification of risks in the context of the ongoing business activities as well as in situations of change (markets, regulations) and in the context of new business activities (new products and services, new markets). Secondly, the identified risks must be captured by applying adequate methodologies and by using respective measurement technologies. Vontobel is utilizing state of the art methodologies and procedures. Market risks are monitored on a daily basis and compared to approved limits. Violations of limits are reported immediately and the mitigation is being monitored closely. Thirdly, the taken risks are to be reported in a transparent way.

Transparency of taken risks
The transparent depiction of the risk profile in an aggregated form as well as the taken risks in detail are core responsibilities of Primary Risk Control. Front units are informed about market risks by adequate standard reports on a daily basis. The Executive Committee and the Board of Directors are informed with holistic, aggregated periodic risk reports which also cover the development of risks and the risk profile over time.

Value at Risk (VaR)
In line with common market practice, the management and monitoring of market risks with regard of positions in the investment book is based on specific sensitivity and volume limits as well as on VaR and Stress Exposure Measurements.

For the daily measurement of VaR, the historic simulation methodology is being used. All instruments are valued based on historic movements of risk parameters. With that the historic realised volatilities of the respective risk parameters and the historic realised correlations between the risk parameters are considered implicitly in the calculations. The VaR confidence interval is 99 %, holding period is one day and the historic observation period for the determination of the VaR time series is the last four years.

Stress exposure
Besides the usage of the VaR limit on a 99 % confidence interval, stress limits are being used as part of the monitoring procedures. On a daily basis stress tests are being per-

formed. All positions of the Trading Book and all other investment positions are revalued based on various stress scenarios (1 day, 2 day, 3 day and 10 day holding period). For the determination of the daily stress exposure the respective worst scenario is being chosen. The calculations are based on historic and Vontobel specific stress scenarios. These scenarios are verified regularly and adapted, if needed, depending on changes in the market environment and the potential change of risk appetite.

MR1: Market risk Capital requirements under the standardized approach

IN 1,000 CHF		A RWA 31.12.2023	A RWA 31.12.2022
Outright products			
1	Interest rate risk (general and specific)	758,612	651,779
2	Equity risk (general and specific)	105,780	175,566
3	Foreign exchange risk	40,080	44,580
4	Commodity risk	84,229	84,396
Options			
5	Simplified approach		
6	Delta-plus method	256,909	323,665
7	Scenario approach		
8	Securitisation		
9	**TOTAL**	**1,245,611**	**1,279,987**

IRRBBA: Interest rate risk in the banking book

The general principles of “Risk management and risk control” at Vontobel are explained in detail in the Annual Report (AR 2023, page 167ff). The main characteristics of Vontobel’s interest rate risk management techniques are fully described in the Annual Report in section “3.3. Mar ket risks related to the balance sheet structure” (AR2023 page 170ff.).

An ALCO (Asset and Liability Committee) meeting is held on a monthly basis, where Treasury, the CFO/CRO, the Head of Structured Solutions & Treasury and further stakeholders from business units and risk control are par ticipating. This forum decides on existing or upcoming positions and risks. Outcomes are reported regularly to the Executive Committee. The key modelling assump tions with regard to interest rate duration and capital lock-up period for certain balance sheet positions are reviewed periodically by internal and external subject matter specialists.

At Vontobel, all IRRBB measures (EVE, NII – according FINMA circular 2019/2 and BIS’ “Interest Rate Risk in the Banking Book” (April 2019)) are calculated as part of the monthly closing process. Subsequently, these measures are referred to as “Standard Scenarios”. In addition, a Vontobel specific ΔEVE scenario is calculated, which also serves as measure against the interest rate risk limit determined by the BoD.

The change in the economic value (ΔEVE) is calculated according to the standard scenarios as described in the FINMA circular 2019/2. In addition, Vontobel measures the change in economic value with an institute specific scenario, which is based on an instantaneous, parallel interest rate shock of +/- 100bp for all currencies. In addi tion to the fixed rate exposure, also the modelled client funds and the modelled equity position, which is in con trast to the standard scenarios, are taken into account for the sensitivity analysis and therefore measured against the respective BoD limit.

For the calculation of the change in net interest income (ΔNII), Vontobel takes the following assumption as a basis:
- Static balance sheet
- Constant client margins on roll over
- Immediate, parallel interest rate shocks per currency as defined by BIS and FINMA

The Vontobel specific scenario therefore deviates from the standard as follows:
- Even interest rate shift of +100 bp for all currencies
- Inclusion of the modelled equity

The reasons for these divergences are:
- The explanatory power of the changes across currencies is increased.
- The historical comparability persists.
- A duration is assigned to the equity, which enables a stable income.

Net interest rate risks resulting out of the client business are managed mostly through Financial Investments (IFRS) or Interest Rate Swaps (fair-value or cash-flow hedge accounting under IFRS). Further information can be found in section “31. Hedge accounting” of the Annual Report (AR 2023, page 225ff.).

Main modelling assumptions and calculation parameters for table IRRBBA1 and IRRBB1:

1. The calculation of the interest cash flows, which are used for the calculation of ΔEVE, includes a potential client margin.

2. Each cash flow is allocated to the time bucket in which its maturity falls. Hence, each cash flow is assigned to a single time bucket only. This is a refinement to our previous (before December 31, 2021) methodology which assigned each cash flow to the mid-point of the respective, the next higher and the next lower time bucket in a way, that the durations of the original and the “distributed” cash flow were identical.

3. For the discounting of all cash flows a risk-free interest rate curve (OIS) is used. For the delta calculation, this curve is then shifted as requested (per scenario, currency, term), followed by a linear interpolation to match the exact term. 4. The basic assumption is an interest rate move on the 1st day of the observation period (12 months), where
   - a static balance sheet is assumed
   - a maturing trade is renewed (multiple times if needed) with its original tenor and constant client margin till the end of the observation period

5. Positions without a fixed maturity are replicated with different maturity profiles. The re-fixing of the interest rate is performed according to the respective maturity profile.

6. Apart from the Vontobel AT1 issuance, where the maturity is assigned to the first call date, banking book positions with early repayment options are not material.

7. Behavioral withdrawal options in the banking book are not material. If they were, they would not be part of the ΔNII/ΔEVE calculations, but would be included in separate stress tests.

8. There are no interest rate options in the banking book.

9. Interest rate swaps are used to manage the interest rate risk in the banking book. The treatment within the ΔNII/ΔEVE calculations is congruent with the treatment of other fixed rate instruments.

10. The total in each scenario is a simple addition of the results for each currency. There are no correlation assumptions.

11. As of 30.06.2023, cash at central banks are included for both ΔNII/ΔEVE calculations.

IRRBBA1: Interest rate risk Quantitative information on the position structure and interest rate resetting

31.12.2023	AMOUNTS IN 1,000 CHF TOTAL	OF WHICH CHF	OF WHICH OTHER CURRENCIES, REPRESENTING MORE THAN 10% OF TOTAL BALANCE SHEET	AVERAGE TIME TO RESETTING OF INTEREST RATES (IN YEARS) TOTAL	OF WHICH CHF	MAXIMUM TIME TO RESETTING OF INTEREST RATES (IN YEARS) FOR POSITIONS WITH MODELLED (NON-DETERMINISTIC) DEFINITION OF RESETTING DATE TOTAL	OF WHICH CHF
Defined resetting date of interest rate							
Amounts due from banks	31,666	6,119	25,547	0.234			
Amounts due from customers	3,779,692	2,161,569	1,477,661	0.915	1.044		
Money market mortgages	554,530	554,530	0	0.003	0.003		
Fixed-rate mortgages	1,302,385	1,302,385	0	5.037	5.037		
Financial investments	1,612,183	225,098	1,387,085	3.554	1.580		
Other receivables	0	0	0				
Receivables from interest-rate derivatives	112,588	436,357	323,769	2.165	0.116		
Amounts due to banks	8,653	0	8,653	0.375			
Amounts due in respect of client deposits	2,313,715	1,540,379	769,039	0.195	0.206		
Cash bonds	0	0	0				
Bond issues and central mortgage institution loans	1,423,194	299,150	0	6.216	0.415		
Other payables	0	0	0				
Payables to interest-rate derivatives	108,740	17,457	0	4.692	6.149		
Non-defined resetting date of interest rate							
Amounts due from banks	1,700,204	138,709	1,371,192	0.014	0.014		
Amounts due from customers	896,076	504,897	366,598	0.014	0.014		
Mortgages with floating rates	0	0	0	-	-		
Other receivables on demand	0	0	0	-	-		
Payables on demand from personal accounts and current accounts	7,673,556	3,047,589	3,832,894	1.214	1.214		
Other payables on demand	1,267,255	356,363	759,106	1.214	1.214		
Payables arising from client deposits, terminable but not transferable (savings)	0	0	0	-	-		
Total	**22,784,437**	**10,590,602**	**10,321,544**	**7.347**	**6.006**	**8.005**	**8.005**

IRRBB1: Interest rate risk Quantitative information on present value and interest income

IN 1,000 CHF	DELTA EVE		DELTA NII	
PERIOD	31.12.2023	31.12.2022	31.12.2023	31.12.2022
Parallel up	–95,759	–64,233	88,091	85,911
Parallel down	110,055	72,534	–64,092	–91,484
Steepener	–33,898	–27,695	–33,898	–91,484
Flattener	14,352	14,547		
Short rate up	–24,972	–11,057		
Short rate down	25,763	11,650		
Maximum (worst case)	–95,759	–64,233	–64,092	–91,484
Period	**31.12.2023**	**31.12.2022**	**31.12.2023**	**31.12.2022**
Tier 1 capital	**1,552,333**	**1,502,279**	**1,552,333**	**1,502,279**

CCA: Main features of the regulatory capital instruments

		31.12.2023
1	Issuer	Vontobel Holding AG
2	Explicit Identifier (ISIN)	CH1224630090
3	Laws applicable to the instrument	Swiss Law
Regulatory treatment		
4	In accordance with the trasitional provisions of Basel III	AT1
5	In accordance with the applicable rules upon the expiry of the Basel III trasitional provisions	AT1
6	Eligible at stand-alone level, group level, stand-alone and group level	Group
7	Type of instrument (types to be specified by each jurisdiction)	Tier 1 Capital Notes
8	Amount included in the regulatory capital (as of the most recent capital adequacy report)	CHF 165.9 mn
9	Nominal value of instrument	USD 200 mn
10	Classification from an accounting point of view	Debt issued measured at amortized cost
11	Original issuing date	29 September 2023
12	With / without maturity	Perpetual
13	Original date of maturity	n.a.
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons) and repayment amount	First Call Date: 29 September 2031 Early redemption possible due to a Tax or Regulatory Event. Subject to satisfaction of Conditions for Redemption. Redemption amount: aggregate principal amount, together with any accrued and unpaid interest thereon
16	Later call dates, if applicable	Every eight years after first call date
Dividends / Coupons		
17	Fixed or variable dividends / coupons	Initially fixed then reset every eight years
18	Coupon rate and index, where applicable	9.48% (Constant Maturity Treasury (linearly interpolated between 7 Year H15T7Y Index and 10 Year H15T10Y Index) rate plus the Initial Margin of 485 bps)
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest / dividend payment: fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem units	No
22	Non cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Non-convertible
24	*If convertible: conversion trigger (s)*	*n.a.*
25	*If convertible: fully or partially*	*n.a.*
26	*If convertible: conversion rate*	*n.a.*
27	*If convertible: mandatory or optional conversion*	*n.a.*
28	*If convertible, specify instrument type convertible into*	*n.a.*
29	*If convertible, specify issuer of instrument it converts into*	*n.a.*
30	Write-down feature	Yes
31	If write-down: write-down trigger(s)	With respect to any Publication Date, Trigger CET1 Ratio is less than 7%; or FINMA determines a write-down necessary to ensure Vontobel Group's viability.
32	*If write-down: full or partial*	*Partial*
33	*If write-down: permanent or temporary*	*Permanent*
34	*If temporary write-down: description of write-off mechanism*	*n.a.*
34a	Type of subordination	Contractual
35	Position in subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Rights and claims of all holders of Senior Obligations, subject to any obligations that are mandatorily preferred by law
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime?	None
37	*If yes: describe these characteristics*	*n.a.*

In case of any deviation between this table and the instrument documentation, the instrument documentation in question would be relevant.

		31.12.2023
1	Issuer	Vontobel Holding AG
2	Explicit Identifier (ISIN)	CH1224630108
3	Laws applicable to the instrument	Swiss Law
Regulatory treatment		
4	In accordance with the trasitional provisions of Basel III	AT1
5	In accordance with the applicable rules upon the expiry of the Basel III trasitional provisions	AT1
6	Eligible at stand-alone level, group level, stand-alone and group level	Group
7	Type of instrument (types to be specified by each jurisdiction)	Tier 1 Capital Notes
8	Amount included in the regulatory capital (as of the most recent capital adequacy report)	CHF 166.3 mn
9	Nominal value of instrument	USD 200 mn
10	Classification from an accounting point of view	Debt issued measured at amortized cost
11	Original issuing date	29 September 2023
12	With / without maturity	Perpetual
13	Original date of maturity	n.a.
14	Issuer has the option of an early termination, provided this is acceptable from a regulatory point of view	Yes
15	Optional call date, conditional call dates (for tax or regulatory reasons) and repayment amount	First Call Date: 29 September 2031 Early redemption possible due to a Tax or Regulatory Event. Subject to satisfaction of Conditions for Redemption. Redemption amount: aggregate principal amount, together with any accrued and unpaid interest thereon
16	Later call dates, if applicable	Every ten years after first call date
Dividends / Coupons		
17	Fixed or variable dividends / coupons	Initially fixed then reset every ten years
18	Coupon rate and index, where applicable	9.68% (Constant Maturity Treasury (10 Year H15T10Y Index) rate plus the Initial Margin of 509 bps)
19	Existence of a dividend stopper (no dividends on the instrument implies no dividends on the normal shares)	Yes
20	Interest / dividend payment: fully discretionary, partially discretionary or mandatory	Fully discretionary
21	Existence of step up or other incentive to redeem units	No
22	Non cumulative or cumulative	Non-cumulative
23	Convertible / non-convertible	Non-convertible
24	*If convertible: conversion trigger (s)*	*n.a.*
25	*If convertible: fully or partially*	*n.a.*
26	*If convertible: conversion rate*	*n.a.*
27	*If convertible: mandatory or optional conversion*	*n.a.*
28	*If convertible, specify instrument type convertible into*	*n.a.*
29	*If convertible, specify issuer of instrument it converts into*	*n.a.*
30	Write-down feature	Yes
31	If write-down: write-down trigger(s)	With respect to any Publication Date, Trigger CET1 Ratio is less than 7%; or FINMA determines a write-down necessary to ensure Vontobel Group's viability.
32	*If write-down: full or partial*	*Partial*
33	*If write-down: permanent or temporary*	*Permanent*
34	*If temporary write-down: description of write-off mechanism*	*n.a.*
34a	Type of subordination	Contractual
35	Position in subordination ranking in case of a liquidation (indicating the type of instrument which has direct precedence in the ranking of the legal entity affected)	Rights and claims of all holders of Senior Obligations, subject to any obligations that are mandatorily preferred by law
36	Existence of characteristics which could jeopardize the complete recognition according to the Basel III regime?	None
37	*If yes: describe these characteristics*	*n.a.*

In case of any deviation between this table and the instrument documentation, the instrument documentation in question would be relevant.

ORA: Operational risks

In order to calculate capital adequacy requirements for operational risks Vontobel applies the basic indicator approach.

The strategy, processes and organisation to manage operational risks are fully described in the Annual Report in section “6. Operational risks” (AR 2023, page 178ff.).

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