Vontobel

Half-Year Report

2021

Ratios

	H1 2021	H1 2020	H2 2020
Return on shareholders' equity (ROE) (%)[1]	18.7	13.4	13.3
Cost / income ratio (%)	69.6	74.7	73.6
Equity ratio at balance sheet date (%)	5.8	6.1	6.0
Basel III leverage ratio at balance sheet date (%)	4.5	4.8	4.6

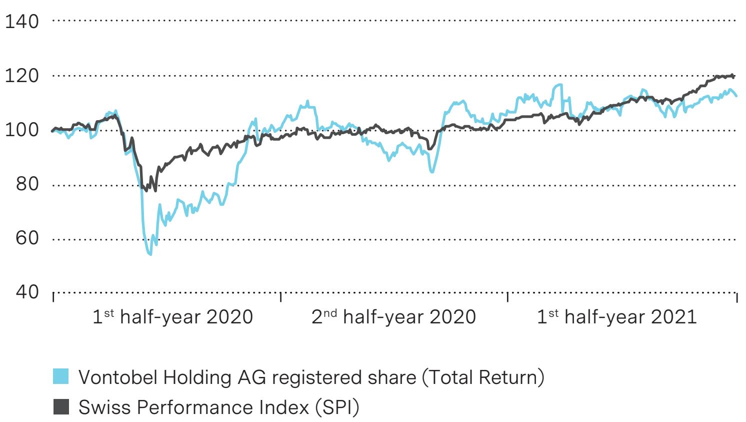
1 Group net profit annualized as a percentage of average equity based on monthly figures, both without minority interests

Share data

	H1 2021	H1 2020	H2 2020
Basic earnings per share (CHF)[1]	3.24	2.18	2.16
Diluted earnings per share (CHF)[1]	3.18	2.14	2.11
Equity per share outstanding at balance sheet date (CHF)	34.92	31.31	33.93
Price / book value per share	2.1	2.1	2.1
Price / earnings[2] per share	11.1	15.3	16.2
Share price at balance sheet date (CHF)	72.10	66.45	70.20
High (CHF)	78.00	74.90	55.10
Low (CHF)	66.55	36.12	73.70
Market capitalization nominal capital (CHF M)	4,100.7	3,779.3	3,992.6
Market capitalization less treasury shares (CHF M)	4,046.0	3,725.6	3,913.8
Undiluted weighted average number of shares	56,189,656	55,897,367	55,876,292

1 Basis: weighted average number of shares
2 Annualized

Performance of Vontobel Holding AG registered share (indexed)



Source: Bloomberg

Share information

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00
Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

BIS capital ratios

	30.06.2021	30.06.2020	31.12.2020
CET1 capital ratio (%)	14.5	13.8	13.8
CET1 capital (CHF M)	1,078.4	972.3	1,024.4
Tier 1 capital ratio (%)	20.5	20.2	19.8
Tier 1 capital (CHF M)	1,527.2	1,420.7	1,473.0
Risk weighted positions (CHF M)	7,452.7	7,037.7	7,447.5

Risk ratio

CHF M	H1 2021	H1 2020	H2 2020
Average Value at Risk market risk	8.2	11.4	7.7

Average Value at Risk 6 months for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Rating

	30.06.2021	30.06.2020	31.12.2020	
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3	

Operating income by Client Unit / Center of Excellence

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE IN % TO H1 2020
Asset Management	290.5	248.5	266.2	17
Platforms & Services	96.9	73.4	79.0	32
Wealth Management	235.0	215.5	208.0	9
Digital Investing	165.5	89.2	94.2	86
Centers of Excellence / Reconciliation	–8.3	–3.6	–4.9	131

Consolidated income statement

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE IN % TO H1 2020
Operating income	779.6	623.0	642.5	25
Operating expense	546.2	466.9	477.6	17
Profit before taxes	233.4	156.1	164.9	50
Group net profit	191.8	129.2	130.3	48
of which allocated to minority interests	*10.0*	*7.5*	*9.2*	*33*
of which allocated to the shareholders of Vontobel Holding AG	*181.8*	*121.6*	*121.0*	*50*

Consolidated balance sheet

	30.06.2021 CHF M	30.06.2020 CHF M	31.12.2020 CHF M	CHANGE IN % TO 31.12.2020
Total assets	33,666.9	28,596.6	31,422.4	7
Shareholders' equity (excl. minority interests)	1,959.4	1,755.4	1,891.6	4
Loans	6,956.6	5,385.9	6,378.6	9
Due to customers	14,645.9	12,244.2	14,646.5	–0

Client assets

	30.06.2021 CHF B	30.06.2020 CHF B	31.12.2020 CHF B	CHANGE IN % TO 31.12.2020
Assets under management	244.2	193.4	219.6	11
of which under discretionary management	*161.8*	*131.2*	*146.9*	*10*
of which under non-discretionary management	*82.4*	*62.2*	*72.8*	*13*
Other advised client assets	21.7	15.4	20.4	6
Structured products and debt instruments outstanding	8.6	9.8	8.2	5
Total advised client assets	**274.5**	**218.6**	**248.2**	**11**
Custody assets	28.8	61.5	64.0	–55
Total client assets	**303.3**	**280.2**	**312.2**	**–3**

Net new money

	H1 2021 CHF B	H1 2020 CHF B	H2 2020 CHF B
Net new money	6.6	7.4	7.4

Personnel (full-time equivalents)

	30.06.2021	30.06.2020	31.12.2020	CHANGE IN % TO 31.12.2020
Number of employees Switzerland	1,669.2	1,636.6	1,640.5	2
Number of employees abroad	401.2	360.4	374.6	7
Total number of employees	**2,070.4**	**1,997.0**	**2,015.1**	**3**

Award-winning businesses

In recent months, we once again received a number of industry awards in recognition of our company-wide expertise, which enables us to generate sustained value for our clients.

Brand

The renowned agency Brand Finance, which is the world's leading independent brand valuation consultancy, named Vontobel as one of the six strongest Swiss brands in its 2021 report on Switzerland's 50 top brands. Further, Vontobel ranked as the leading company in the Swiss financial sector in terms of brand strength. Its brand value grew by an impressive 22 percent. The brand strength index assesses individual companies based on their investment in marketing and the perception of various stakeholder groups, with the views of clients being assigned greatest importance in the analysis. It also compares the financials of companies and their peers. Brand Finance considers Vontobel to be "a real pearl among Swiss companies".

Investment Products and Services

The United Nations' initiative "Principles for Responsible Investment" (PRI) awarded Vontobel once again an above-average score for the implementation of the principles. Vontobel outperformed the benchmark in five of the seven modules that were assessed in the most recent reporting. Vontobel has been a signatory to the PRI since 2010.

TwentyFour Asset Management was named Fixed Income Manager of the Year in the UK by The Asset Management Awards. TwentyFour's ABS capabilities have been recognized by the Global Capital European Securitization Awards in the category "Outstanding Contribution to Securitization".

Lipper named Vontobel, in seven European countries, the leading provider in the categories Bond Euro Corporate and Absolute Return Bond.

Vontobel was selected best Emerging Markets Debt manager at Citywire's US Offshore Awards ceremony.

Vontobel took first place in the category "product on alternative underlyings" with the Long Mini Future on Bitcoin Future at the Swiss Derivative Awards 2021.

Additionally, Vontobel was nominated in the category "commodity product" with the Long Mini Future on Soybean Future, in the category "index product" with the Open end Tracker Certificate in CHF on the Solactive Food Delivery Index and in the category "product on precious metals/foreign currencies" with the Short Mini Future on CNH per 1 USD and the Long Mini Future on Silver (Troy Ounce).

Wealth Management

The business magazine "Euro" awarded Bank Vontobel Europe AG the rating "very good" in its Private Banking Test 2020.

Contents

Comments on the figures
The amounts shown in the numerical part of the report are rounded. Consequently, the total may differ from the figure calculated when the individual numbers are added together. A blank field indicates that the corresponding position does not contain a value. 0.0 means that the corresponding position contains a value that amounts to 0.0 when rounded.

Alternative performance measures (APM)
We measure performance using alternative financial indicators that are not defined in the International Financial Reporting Standards (IFRS). Details can be found in the glossary on pages 55 and 56.

This report also appears in German. The German version is prevailing.

"At Vontobel, we remain true to our strategy of only doing what we master. We have a clear focus on client needs, investment expertise, technology knowhow and our employees."

photographed by thefotostudio.ch

Herbert J. Scheidt
Chairman of the Board of Directors

Dr Zeno Staub
Chief Executive Officer

Shareholders' letter

Dear shareholders and clients

Vontobel can look back on a generally very good first half of 2021. Our clients have used Vontobel's investment expertise, broad product offering and services again this year to capture opportunities in the market. This applies in particular to our Digital Investing clients, who invested very strongly in structured products during the first six months of the year and thus contributed significantly to our very good half-year result. Two years ago, Vontobel launched Digital Investing as an explicit challenger unit that can bring our competencies to a broader client group. In the period under review, Vontobel was able to further expand its market shares in the area of Digital Investing thanks to our client focus and the deeper client trust it generates, as well as our reliable modern technology and the continued improvements to our product range. Overall, our private clients are making greater use of our transparent offering, which focuses on investment opportunities. In addition, our institutional and wealth management clients have benefited from the performance of Vontobel investment solutions as well as the general development of the market.

Around 300 globally active investment specialists are responsible for the high quality of our investment solutions. In 2021, Vontobel once again made targeted investments in the expansion of its international investment expertise, with around 30 specialists having joined the investment team since the middle of last year

Positioning in key rankings confirms high investment quality

In the future, Vontobel will continue to invest in the quality of its investment expertise and in an attractive range of investment opportunities. An important part of the diversification strategy that Vontobel has been successfully pursuing for more than a decade in terms of its product offering for clients was the 2015 acquisition of a majority stake in TwentyFour Asset Management LLP (TwentyFour Asset Managment).

At the end of June 2021, Vontobel acquired the remaining 40 percent of the fixed income boutique, which has CHF 26.6 billion of advised assets (as of June 30, 2021). At the same time, the partners and employees of TwentyFour Asset Management underscored their long-term commitment to the investment firm as Vontobel shareholders. Like other employees, they will become shareholders in Vontobel and will, among other things, participate in the long-term share participation plan.

The transaction will ensure a continued long-term focus on the generation of outstanding performance as well as excellent client service.

Vontobel's position in key rankings is evidence of the high quality of its investment products: 73 percent of all Vontobel funds rated by Morningstar and weighted according to assets under management were assigned a four- or five-star rating.

The performance of Vontobel's investment solutions as well as the general development of the market are also reflected by advised client assets, which reached a record CHF 274.5 billion as of June 30, 2021 (+11 percent compared to the end of 2020).

Growth in net new money within ambitious target range

Annualized growth in net new money was 6.0 percent in the first half of 2021 and was thus within the ambitious target range of 4–6 percent. Vontobel has thus maintained the very strong growth in net new money seen in 2020, with all client businesses contributing to the inflows.

The very strong demand for structured products among our Digital Investing clients in particular, as well as the increase in advised client assets from institutional and private clients, combined with economies of scale of our various platforms, resulted in a pre-tax profit of CHF 233.4 million, compared to CHF 156.1 million in the prior-year period. Profit after taxes of CHF 191.8 million was also significantly higher than in the prior-year period (CHF 129.2 million). Operating income also grew significantly compared to the prior-year period, rising to CHF 779.6 million in the first half of 2021 (CHF 623.0 million).

The cost / income ratio improved further from 74.7 percent in the first half of 2020 to 69.6 percent. As a result of continued large investments in modern technology and processes, Vontobel can make effective use of economies of scale in all areas while generating higher turnover. For example, the improved cost / income ratio in the first half of 2021 is also attributable to the significant increase in the profit contribution from Digital Investing, which was achieved at low marginal costs. Vontobel has set itself the target of achieving a cost / income ratio of less than 72 percent by 2022.

In the first half of 2021, it generated a return on equity of 18.7 percent (13.4 percent) on its solid capital base, which increased once again, while maintaining its conservative risk profile – thus significantly exceeding its own ambitious target return on equity of at least 14 percent.

Asset Management as a dynamic income driver
Alongside our Digital Investing unit, the business with asset management clients was once again the most dynamic income driver, with operating income increasing by 17 percent to CHF 290.5 million in the first half of 2021 compared to CHF 248.5 million in the prior-year period. This higher operating income mainly reflects the significant increase in advised client assets year on year, as well as a good gross margin, which was stable at 42 basis points (42 basis points). Vontobel didn't achieve the same strong start to the current year as it did in 2020. Institutional investors adopted a more cautious approach than private clients during the first few months of the year and waited to see how interest rates would develop.

Despite this investor caution and after the strong prior-year period, the growth in net new money of 4.3 percent in the first half of 2021 was within the ambitious target range of 4–6 percent. Adjusted for a low-margin fixed income mandate terminated at the start of the year, it achieved very good growth in net new money of 6.5 percent.

In the first half of 2021, Vontobel achieved a first significant success in the implementation of the international Global Banks initiative, which is one of the investment firm's strategic objectives. In recent years, Vontobel has built a team that will ensure stronger collaboration with major globally active banks as distribution partners going forward.

During the first two quarters of the year, Vontobel saw particularly strong demand for the fixed income solutions provided by TwentyFour Asset Management and the quant boutique Vescore. Our clients' interest in sustainable investment solutions is undiminished.

In the first half of this year, Vontobel expanded its range of ESG bonds and equity funds with the launch of a Green Bond fund, a Sustainable Emerging Markets Debt fund and a Global Impact fund. Vontobel is thus responding to the growing investor demand for solutions that combine attractive income generation with a sustainable approach. In 2020, we were able to increase the proportion of our funds that incorporate ESG risks into their investment decisions to 97 percent – and we expect that figure to reach 100 percent by the end of this year.

Net new money from External Asset Managers significantly exceeds target range
The business with External Asset Managers (EAMs) also performed very well. Vontobel serves EAMs at a local level in Switzerland and Singapore. In the first half of 2021, growth in net new money totaled CHF 0.8 billion. With an annualized growth rate of 9.1 percent, it far exceeded the target range of 4–6 percent. The gross margin reached a satisfactory level of 45 basis points and was thus below the very high margin of 54 basis points for the prior-year period, which was mainly attributable to strong levels of client trading activity that largely normalized in the course of 2020.

The Platforms & Services Client Unit grew its operating income by 32 percent to CHF 96.9 million compared to the first half of 2020.

As part of Vontobel's strategic initiative to achieve further growth in the segment with ultra-high-net-worth individuals (UHNWI) and to serve them even more effectively, Vontobel decided to bundle its comprehensive advisory capabilities for financial intermediaries and UHNWI clients within Wealth Management. The needs of UHNWI private clients are aligned to a significant extent with the institutional investment needs of financial intermediaries and family offices. Brian Fischer, currently Head of the Platforms & Services Client Unit, will lead advisory teams for financial intermediaries as well as for UHNWI clients within the Wealth Management Client Unit in the future. At the same time, Brian Fischer will be appointed as Deputy Head of Wealth Management and will report to Georg Schubiger, Head of Wealth Management. In addition, the Platforms & Services teams that manage the successful platforms for financial intermediaries and our transaction banking solutions will be led in the future by Markus Pfister, Head Structured Solutions & Treasury, and Felix Lenhard, Head Technology & Services. Structured Solutions & Treasury already brings together all of Vontobel's expertise in the area of structured products, and Technology & Services provides the technical platforms for Transaction Banking. Clients will thus be able to benefit from the even closer integration of the respective competence centers going forward, while having access to the same contacts. The organizational changes take effect on August 1, 2021.

Wealth Management as an income driver
In the period under review, Wealth Management maintained its momentum following its success in the second half of 2020, with operating income rising by 9 percent to CHF 235.0 million compared to the prior-year period (CHF 215.5 million). Wealth management clients entrusted CHF 2.2 billion of net new money to Vontobel. This corresponds to strong annualized growth in net new money of 7.0 percent, once again exceeding the ambitious target range of 4–6 percent. Vontobel took targeted steps to expand existing client relationships and acquire new clients. The increase in assets under management, which reached a record CHF 72.1 billion, will continue to have a positive impact on earnings in the future. The new advisory team in Milan achieved a positive start. Vontobel opened a new advisory center in the city in Northern Italy to serve Italian private clients.

The gross margin normalized further compared to the first half of 2020 due, in particular, to the generation of strong growth and initial success in serving UHNWI clients. For the first six months of 2021, the gross margin was a solid 69 basis points (first half of 2020: 76 basis points).

Although the corona pandemic resulted in further significant restrictions on travel and in-person meetings in many parts of the world during the first six months of 2021, we continued to support our clients at all times and offered them our expertise – both personally as well as via state-of-the-art and secure digital communication channels – during this period. Our efforts are reflected in particular by the strong growth in net new money. We have been offering digital onboarding since last year, enabling us to establish new client relationships even in times of social distancing. Irrespective of the current pandemic, Vontobel will continue to invest in modern and secure means of communication and interaction in the future. We also look forward to having greater opportunities to hold in-person meetings with our clients in all markets, which should generate additional momentum.

Digital Investing clients use structured products to capture opportunities in the market
Our targeted investments in state-of-the-art technological solutions are, in particular, also benefiting those clients who want to interact with Vontobel exclusively via digital channels and are served by our Digital Investing team. Vontobel is not only focusing on technology in this context but is also pursuing a hybrid approach, in line with client wishes – meaning that clients can also contact an expert at any time.

Over the last two years, we were able to gather experiences from the use of Volt, the first active digital wealth management offering in Switzerland, and this has shown that our clients expect personal service and digital solutions. At present, Vontobel is primarily offering Volt to existing clients in Switzerland. The successful launch of Raiffeisen Rio – the digital wealth management offering of Raiffeisen Switzerland based on the Vontobel application – underscores the longer-term potential of smart digital investment solutions.

Operating income in Digital Investing in the first half of 2021 was clearly influenced by the strong demand for structured products. New clients were acquired primarily in Switzerland, Germany and Hong Kong. Our clients made new investments to capture market opportunities. There was also continued demand for products that allow investors to participate in the development of cryptocurrencies. In February 2021, Vontobel issued two new bitcoin tracker certificates that attracted a very high level of interest. Our clients value the security they gain by having a regulated Swiss bank as a counterparty. In July 2016, Vontobel became the first Swiss issuer to launch a bitcoin tracker certificate, which proved very successful.

Operating income grew from CHF 89.2 million in the prior-year period to CHF 165.5 million.

Investment firm with a clear focus
At Vontobel, we remain true to our strategy of only doing what we master. We have a clear focus on client needs, investment expertise, technology knowhow and our employees – meaning that Vontobel is very well positioned. Our clear strategic focus on investment expertise and on delivering benefits for our clients means that we generate a major part of our operating income from advisory and wealth and asset management services. Vontobel is intentionally not active in the corporate clients business or the field of corporate lending. Vontobel has intentionally focused its business model on recurring income from advisory and wealth and asset management services. Our aim is to generate stable growth while maintaining the same conservative risk profile.

Robust capitalization
Vontobel’s robust capital position is evidence of its stability and financial solidity. Despite the full acquisition of the remaining stakes in TwentyFour Asset Management, which was fully financed out of Vontobel’s own funds, the CET1 capital ratio as of June 30, 2021, rose to 14.5 percent (end-2020: 13.8 percent).

The Tier 1 capital ratio reached 20.5 percent (end-2020: 19.8 percent). Vontobel thus remains very solidly capitalized. Both capital ratios continue to substantially exceed the regulatory minimum requirements defined by FINMA of 7.8 percent for the CET1 capital ratio and 12 percent for the Total capital ratio.

The result underscores Vontobel’s good strategic positioning as a highly specialized, digitally skilled and internationally active investment firm for institutional clients and wealthy private clients who actively seize opportunities in the markets to protect and grow their wealth. We are aware that depending on market developments, it may not be possible to maintain the positive trend seen in the first half of 2021 on a linear basis over the full year. Nevertheless, we firmly believe that as an investment firm, we are ideally positioned in an environment in which investing is the new form of saving. We are therefore confident that we can continue to realize our own targets together with our clients in the future.

We wish to thank our clients and our shareholders for their trust in Vontobel. Our special thanks go to our more than 2,000 employees from 55 nations across 13 countries. Their expertise and dedication form the essence of Vontobel.

Herbert J. Scheidt
Chairman of the Board
of Directors

Dr Zeno Staub
Chief Executive Officer

One Vontobel

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

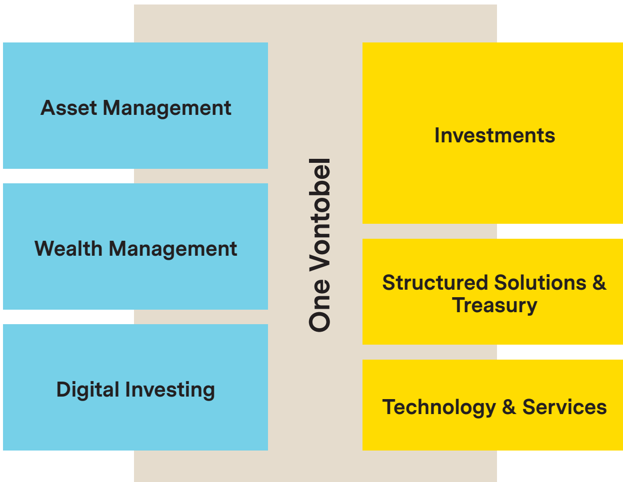
The demand for professional investment solutions and individually tailored expert investment advice is growing constantly across all client groups and sections of the population. This trend is driven by the protracted phase of low interest rates and the challenging investment environment associated with it. It also reflects the strong need to invest – both individually and as a society – also as a means of addressing the increasing pension funding gap around the world. The corona pandemic further intensified these trends. Investing is the new form of saving.

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

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

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

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



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

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

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

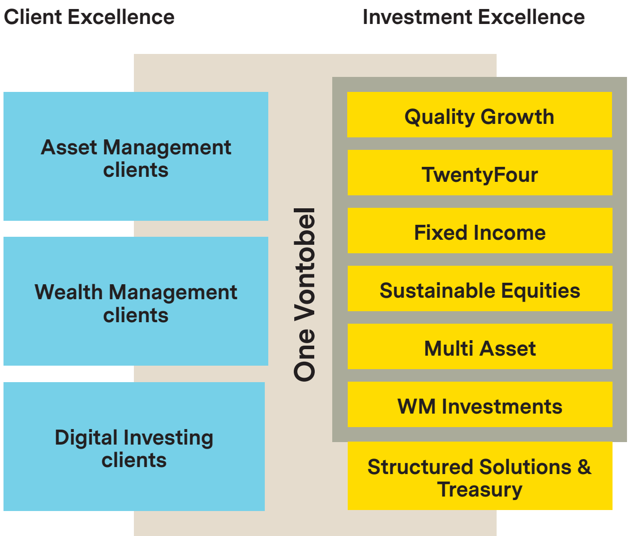
Digital Investing is the challenger unit whose competencies can be offered to broader client groups either directly or via ecosystems. This unit also focuses on the successful end-clients business with structured products. Platforms such as derinet, cosmofunding and Volt continue to operate in these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

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

Strategic importance of investments

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

Client centric and investment-led approach



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

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

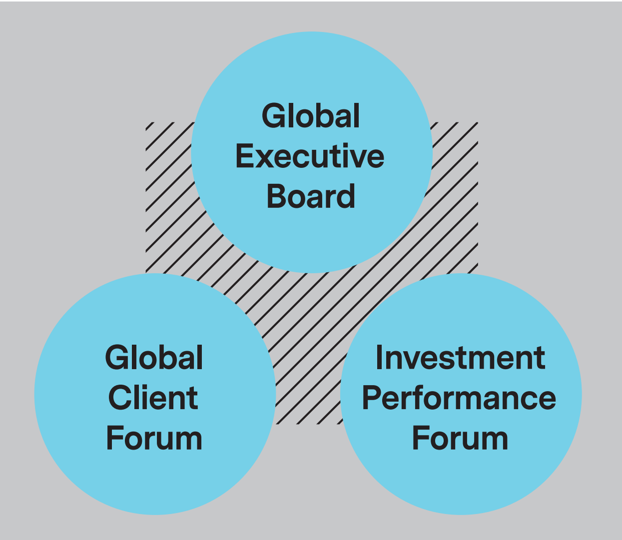
Our clients have benefited from our broad range of sustainable investment solutions since the 1990s. Vontobel is therefore one of the pioneers in this field. We have also established ourselves as a leader in Emerging Markets (EM) and rank among the largest European EM Managers in the areas of Equities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

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

Leadership team for rapid, client-oriented decisions

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

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



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

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

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

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

Our Vision 2030 – our Lighthouse

The changes in our operating environment prompted us to think even longer term. Our targets are based on our longer-term vision – our Lighthouse. It describes how we want to be perceived in 2030 – and what we want to achieve by then. By concentrating on a shared long-term goal, we can ensure that the entire Vontobel organization is working together and moving in the same direction.

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

Priorities 2020 – 2022

Based on Vontobel's client-centric and long-term Vision 2030 as a global buy-side investment firm, the Board of Directors and the Executive Committee defined five strategic priorities in 2020. To ensure the requisite degree of agility and flexibility, they have broken down the clear long-term vision into cycles with concrete results.

Future business planning is therefore focused on an agile rolling two-year plan that aligns our efforts to initiate, pursue and firmly establish our long-term goals with our focus on the growth of our existing businesses as well as the generation of income over the short and medium term. The priorities 2020 – 2022 provide a framework and form the foundations for a rolling plan.

Global Executive Board (EB)

Zeno Staub [1,2]
CEO
Head Investments

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

Henry F. Detering
CMO
Head Marketing & Analytics

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

Caroline Knöri
Head Human Resources

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

Markus Pfister [2]
Head Structured Solutions & Treasury

Christel Rendu de Lint
Deputy Head Investments

Marko Röder
Head Asset Management

Georg Schubiger [2]
Head Wealth Management

Toby Triebel
Head Digital Investing

1 Member of the Executive Committee of Vontobel Holding AG
2 Member of the Executive Committee Bank Vontobel AG

1. Deliver the Vontobel experience places the client experience at the heart of our brand vision. It puts the client at the center and links the creation of value with a positive client experience: Client-centric and investment-led. An outstanding client experience is essential to meet the expectations of our clients. In this way, we create decisive value and a stronger emotional attachment to the brand. We have already achieved a lot in recent years, as well as creating a series of tools and establishing the basis to deliver maximum impact.

2. Deliver a pure-play investment firm to all clients reflects our commitment resulting from our vision to become a pure-play client-centric investment firm that leverages its investment expertise and provides solutions for all clients. The quality of the investment offering is the key to our success and is demonstrated, among other things, by relatively stable margins in recent years. We want to maintain these margins in the future.

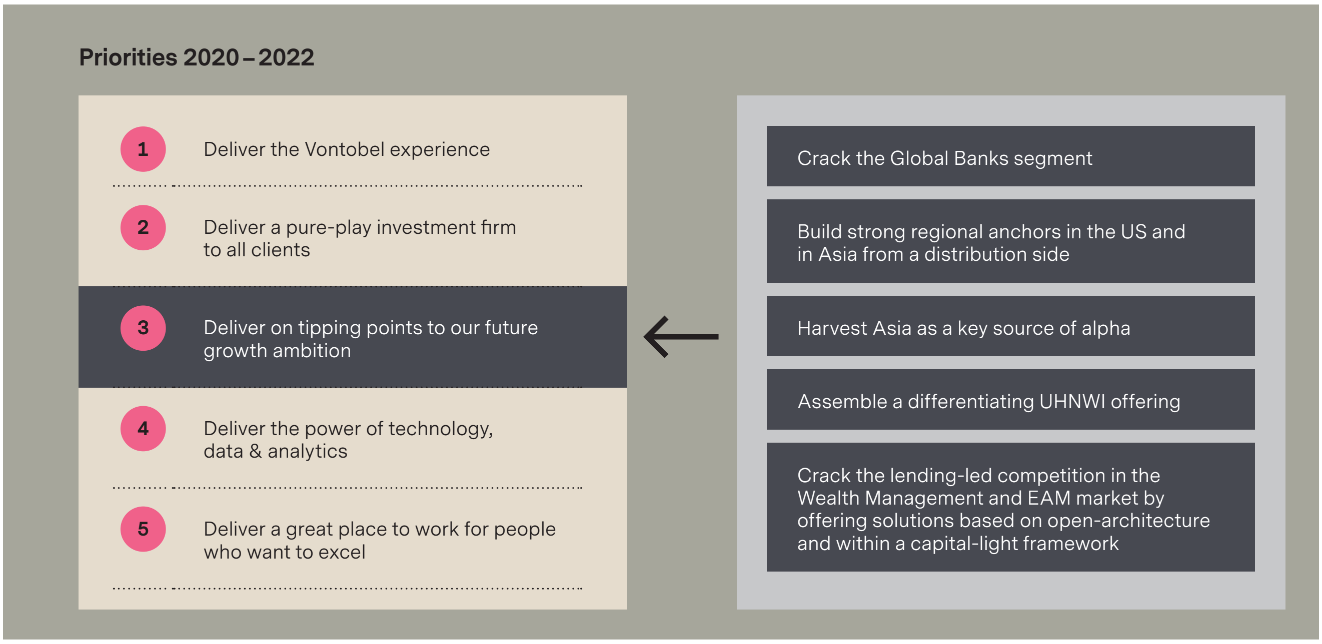
Both of the above priorities build on our strength and are designed to drive forward our business. We are client-centric and, at the same time, investment-led.

3. Deliver on tipping points to our future growth ambition targets the next growth wave. The individual tipping points form the critical milestones that we want to reach over the long-term. We will work systematically to transform our long-term vision into a reality by 2030.

4. Deliver the power of technology, data & analytics refers to technology and its development into another core competency. We have laid the foundations for this in recent years. We are ready to incorporate technology into everything we do and to reap the benefits of these efforts in the form of increased client satisfaction, efficient processes and better insights / analysis.

5. Deliver a great place to work for people who want to excel recognizes the importance of our employees, their commitments, and their skills and abilities. In 2021, Vontobel's management will focus even more attention on employee development with a particular emphasis on strengthening leadership skills across the entire firm. These efforts aim to make Vontobel one of the most attractive places to work in order to attract and retain top talents.

The next wave of growth and critical milestones on our way towards the Lighthouse



Targets 2022

Ambitious mid-term goals

Building on these strategic priorities, the Board of Directors and the Executive Committee have extended the ambitious targets for growth, profitability, capital and dividends to 2022.

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

- ***Outgrow the market*** in all core activities with top-line growth and net new money growth of 4–6 percent p.a.
- Generate a higher ***return on equity*** of more than 14 percent, clearly exceeding the cost of capital; achieve a ***cost/income ratio*** of less than 72 percent
- Maintain a very strong ***capital position*** with a CET1 capital ratio of more than 12 percent and a Total capital ratio of more than 16 percent
- Distribute profits not used for organic growth and M&A to shareholders, with a target ***payout ratio*** of more than 50 percent for shareholders

Financial targets 2022

Top-line growth	
Operating income	4–6%
Net new money generation	
Net new money growth	4–6%
Earnings power	
Return on equity (ROE)	>14%
Efficiency	
Cost/income ratio	<72%
Capital strength	
BIS tier 1 capital ratio (CET1)	>12%
BIS total capital ratio	>16%
Dividend	
Payout ratio	>50%

Business review

Vontobel delivers excellent result with strong inflow of assets in the first half of 2021
Vontobel has taken targeted steps in recent years to position itself as a client-centric investment firm that systematically uses its performance-oriented investment expertise and the power of technology for the benefit of its clients. Vontobel now ranks as one of the leading global financial experts specializing in wealth management and active management.

The growing need to invest and the changing investment environment are creating opportunities for growth that Vontobel is actively seizing. It continued to do so in the first half of 2021 – a period characterized around the globe by the increasingly positive effects of the large-scale vaccination campaigns to combat Covid-19, creating hopes of a return to normality in society and the economy and of a strong economic recovery. This optimism was also reflected by growing consumer demand and the rising price of commodities, especially crude oil, which drove up the rate of inflation. The overall mood in the financial markets was very positive due, in particular, to the continued expansionary monetary policy of central banks. The focus was on the equities of industrialized nations, which rose by 14.5 percent in the first half of the year, measured by the MSCI World index. The Swiss indices SMI (+11.6 percent) and SPI (+15.2 percent) also recorded significant gains at the end of June 2021. Even in this operating environment, Vontobel maintained its long-term focus on the generation of recurring income and – in accordance with its risk profile – consciously refrained from engaging in short-term activities in the market.

Sustained strong inflow of new money demonstrates high level of client trust in Vontobel
Our proven advisory expertise, consistent investment performance over time and high level of financial solidity once again formed the basis for strong client trust in Vontobel in the first half of 2021, which was reflected by the continued strong inflow of client assets. Annualized growth in net new money of 6.0 percent was at the upper end of our ambitious target range of 4 – 6 percent growth annually. Adjusted for a low-margin fixed income mandate that was terminated at the start of the year, Vontobel recorded very good growth in net new money of 7.4 percent. All client businesses contributed to the net inflow of new money, which totaled CHF 6.6 billion.

Operating income grew by 25 percent to CHF 779.6 million compared to the first half of 2020. The strong demand for structure products and the growth in advised client assets, which reached a record CHF 274.5 billion, had a positive impact on operating income. In the mid term, Vontobel is targeting a cost / income ratio of less than 72 percent. As a result of rigorous cost management and economies of scale in the platform business, this target was exceeded in the first half of 2021: Operating efficiency improved from 74.7 percent in the first half of 2020 to 69.6 percent in the first six months of 2021.

A pre-tax profit of CHF 233.4 million was recorded, which corresponds to an increase of 50 percent. Adjusted for one-off impacts, pre-tax profit rose by 51 percent to CHF 242.5 million. One-off impacts in the first half of 2021 relate to personnel expense due to the full acquisition of TwentyFour Asset Management as well as the reduction of pension fund liabilities following a change in the conversion rate. Net profit after taxes increased by 48 percent to CHF 191.8 million compared to the prior-year period (June 30, 2020: CHF 129.2 million).

Vontobel generated a return on equity of 18.7 percent on its strong capital base while maintaining its conservative risk profile, thus significantly exceeding its ambitious target return of at least 14 percent. The return on tangible equity was 25.9 percent. Vontobel’s robust capital position is evidence of its stability and financial solidity.

This remains the case following the acquisition of the remaining shares of TwentyFour Asset Management, which was completed on June 30, 2021, and was fully financed out of Vontobel’s own funds. The Tier 1 capital ratio or Total capital ratio reached 20.5 percent and thus increased compared to the end of 2020 (19.8 percent). This key performance indicator therefore remained comfortably above the regulatory minimum requirement of 12 percent for the Total capital ratio as well as the internal target of 16 percent.

Advised client assets reach record level
Vontobel’s total client assets (including custody assets) totaled CHF 303.3 billion at the end of June 2021 (December 31, 2020: CHF 312.2 billion). The decrease of CHF 9.0 billion was solely attributable to the CHF 35.3 billion reduction in custody assets as a result of the reorganization of Raiffeisen’s global execution and global custody services, while the strong net inflow of new money as well as positive performance and currency effects had a favorable impact on the asset base.

Client assets by domicile as of June 30, 2021

CHF B	ASSETS UNDER MANAGEMENT	OTHER ADVISED CLIENT ASSETS	STRUCTURED PRODUCTS AND DEBT INSTRUMENTS	TOTAL ADVISED CLIENT ASSETS	CUSTODY ASSETS	TOTAL CLIENT ASSETS
Home market	**99.1**	**2.2**	**5.9**	**107.2**	**25.6**	**132.8**
Switzerland[1]	*99.1*	*2.2*	*5.9*	*107.2*	*25.6*	*132.8*
Focus markets	**122.8**	**9.7**	**2.7**	**135.2**	**0.0**	**135.3**
Germany	*24.9*	*8.8*	*2.7*	*36.4*	*0.0*	*36.4*
UK	*24.8*	*0.5*		*25.3*	*0.0*	*25.3*
Italy	*17.0*	*0.0*		*17.0*	*0.0*	*17.0*
North America	*20.7*	*0.1*		*20.8*		*20.8*
Asia Pacific region / Emerging Markets[2]	*35.4*	*0.4*		*35.7*	*0.0*	*35.7*
Other markets	**22.2**	**9.8**		**32.1**	**3.1**	**35.2**
Total	**244.2**	**21.7**	**8.6**	**274.5**	**28.8**	**303.3**

1 Including Liechtenstein
2 CEE, LATAM, Middle East, Africa

Over the last two decades, Vontobel has established itself as a proven global asset and wealth manager. In the period from 2002 to mid-2021, it recorded a six-fold increase in advised client assets (from CHF 45.4 billion to CHF 274.5 billion). Today, 61 percent of advised client assets come from outside Vontobel's Swiss home market – primarily from the target markets of Germany, the UK, Italy, North America and Emerging Markets. However, Vontobel is also well established in its Swiss home market with a presence in 11 locations. Clients domiciled in Switzerland account for CHF 107.2 billion of advised client assets. This underscores the high level of trust that clients in our home market place in Vontobel.

In the first six months of 2021, advised client assets grew by 11 percent to CHF 274.5 billion, reaching an all-time high. Advised client assets form the basis for Vontobel's success as a globally active financial expert. They comprise assets under management, other advised client assets and structured products and interest rate instruments outstanding. Other advised client assets of CHF 21.7 billion (CHF +1.3 billion) are held primarily in Asset Management and include advisory services in the area of asset allocation and the business with private label funds.

The volume of structured products and interest rate instruments outstanding – i.e. excluding leverage products and actively managed certificates – totaled CHF 8.6 billion as the end of June 2021. During the first half of the year, Vontobel was able to significantly expand its market position for investment products in all its markets.

Broad-based growth in assets under management
At the end of June 2021, the volume of assets under management entrusted to Vontobel was CHF 244.2 billion, which represents an increase of 11 percent compared to December 31, 2020, and also a new record level. The key success factors contributing to this high growth rate are our proven investment processes and the recognized expertise of our investment teams, which were reflected by our robust long-term investment performance and a strong net inflow of new money. The annualized growth in net new money of 6.0 percent is at the upper end of our ambitious target range of 4–6 percent growth annually. New money was acquired in all target markets.

The total increase in assets under management of CHF 24.6 billion compared to the end of 2020 reflects:
- Growth in net new money of CHF +6.6 billion
- Positive currency effects of CHF +5.1 billion
- The net positive impact of market effects of CHF +12.9 billion

Assets under management consisted of around 70 percent institutional assets and 30 percent private client assets. On the institutional side, assets under management rose by 10 percent from the end of 2020 to CHF 167.8 billion. In the private clients business, assets under management increased by 12 percent to CHF 72.7 billion.

Development of assets under management

CHF B	30.06.2021	30.06.2020	31.12.2020
Institutional clients	**167.8**	**134.2**	**152.2**
Asset Management	*147.6*	*119.7*	*134.6*
Platforms & Services	*20.2*	*14.5*	*17.6*
Private clients	**72.7**	**57.3**	**64.8**
Wealth Management	*72.1*	*57.3*	*64.0*
Digital Investing	*0.7*	*0.0*	*0.8*
Centers of Excellence / Reconciliation	**3.7**	**1.9**	**2.6**
Total assets under management	**244.2**	**193.4**	**219.6**

Growth in net new money within target range of 4 – 6 percent

Asset Management generated a net inflow of new money of CHF 2.9 billion. On an annualized basis, Asset Management recorded growth in net new money of 4.3 percent, within the target range of 4 – 6 percent. Adjusted for the termination of a low-margin fixed income mandate at the start of the year, annualized growth in net new money was 6.5 percent in the first half of 2021. All asset classes contributed to this inflow – especially the Multi Asset, TwentyFour Asset Management, Sustainable Equities and Quality Growth boutiques.

With annualized growth in net new money of 9.1 percent in the business with External Asset Managers, Platforms & Services also generated strong growth.

Development of net new money

CHF B	H1 2021	H1 2020	H2 2020
Institutional clients	**3.7**	**7.2**	**3.4**
Asset Management	*2.9*	*6.8*	*2.7*
Platforms & Services	*0.8*	*0.4*	*0.7*
Private clients	**2.3**	**0.3**	**3.6**
Wealth Management	*2.2*	*0.3*	*3.5*
Digital Investing	*0.0*	*0.0*	*0.1*
Centers of Excellence / Reconciliation	**0.6**	**0.0**	**0.3**
Total net new money	**6.6**	**7.4**	**7.3**

The business with wealth management clients, who entrusted CHF 2.2 billion of net new money to Vontobel, also achieved a pleasing performance. This corresponds to strong annualized growth in net new money of 7.0 percent and reflects broad-based inflows. Wealth management clients from Vontobel’s Swiss home market as well as all its focus markets entrusted additional assets to Vontobel in the first half of 2021.

Assets under management by investment category

IN %	30.06.2021	30.06.2020	31.12.2020
Swiss equities	15	14	16
Foreign equities	35	32	34
Bonds	33	37	35
Alternative investments	1	1	1
Liquid assets, fiduciary investments	10	12	11
Other[1]	6	4	3

1 Including structured products

The slight shifts in the structure of assets under management in the period under review are mainly attributable to two developments:

Triggered by continued expansionary monetary policy measures and the associated low interest rate environment, equities and leverage products remained popular with investors. As a result, the allocation to equities remained high at 50 percent, while other investments – including structured products – increased compared to the end of 2020. At the same time, the proportion of fixed income securities and liquid assets decreased slightly.

Assets under management by currency

IN %	30.06.2021	30.06.2020	31.12.2020
CHF	26	26	28
EUR	21	23	22
USD	31	31	30
GBP	6	6	6
Other	16	14	14

Our investment expertise is geared towards our international client base – as reflected by our broadly diversified allocation of assets under management in terms of currencies. A total of 26 percent of assets under management comprise investments in Swiss francs. The proportion of investments in euros, US dollars and British pounds was almost unchanged compared to the end of 2020, while investments in other currencies increased slightly.

Structure of the income statement

	H1 2021 CHF M	H1 2021 IN %[1]	H1 2020 IN %[1]	H2 2020 IN %[1]
Net interest income after credit losses	35.7	5	6	5
Net fee and commission income	447.1	57	67	65
Trading income	293.6	38	26	29
Other income	3.3	0	1	1
Total operating income	**779.6**	**100**	**100**	**100**
Personnel expense	381.2	49	50	51
General expense	111.5	14	17	15
Depreciation of property, equipment (incl. software) and intangible assets	49.4	6	8	8
Provisions and losses	4.0	1	0	1
Total operating expense	**546.2**	**70**	**75**	**75**
Profit before taxes	**233.4**	**30**	**25**	**25**
Taxes	41.5	5	4	5
Group net profit	**191.8**	**25**	**21**	**20**

1 Share of operating income

Significant increase in operating income due to higher advisory fees and increased income from the structured products business

Vontobel delivered operating income of CHF 779.6 million in the first half of 2021, an increase of 25 percent compared to the prior-year period. As a globally active asset and wealth manager, Vontobel generated 57 percent of its operating income from the commission business, with more than 90 percent comprising recurring income. Vontobel's strategic positioning of a pure-play investment firm once again had a positive impact on commission income, while the proportion of interest income declined further and now accounts for 5 percent of operating income.

The increase in operating income was driven by significantly higher trading income of CHF 293.6 million, up 83 percent compared to the first half of 2020. Clients continued to seize opportunities in the markets in the current year – especially Digital Investing clients, who invested strongly in structured products in the first six months of 2021. They can access a broad range of products and can count on our reliable systems and consistent presence in the market. The strong demand for investment and leverage products resulted in market share gains and made a significant contribution to Vontobel's very good half-year result.

Around 54 percent of our income is generated in foreign currencies, with a large proportion in US dollars, which depreciated by an average of 6 percent against the Swiss franc compared to the first half of 2020. Assuming that exchange rates remain unchanged, operating income would have increased by 27 percent.

In the first half of 2021, commission income increased by 8 percent to CHF 447.1 million compared to the prior-year period. Due to higher average assets under management, which grew by 21 percent, advisory and management fees rose by 22 percent to CHF 481.4 million, while custody fees increased by 13 percent to CHF 112.9 million. Brokerage fees – also part of commission income – decreased by 20 percent to CHF 50.6 million compared to the prior-year period.

Vontobel's trading income mainly comprises income from the issuing, hedging and market making of structured products and warrants – represented by the total in "Securities" and "Other financial instruments at fair value". In the period under review, these activities contributed CHF 260.2 million (+74 percent) to trading income. Income from forex and precious metals trading trebled to CHF 33.4 million.

Managing the bank's balance sheet while maintaining a conservative risk profile is especially challenging in an environment of continued extremely low or negative interest rates. Net interest income declined by 10 percent compared to the prior-year period. Other income decreased from CHF 7.1 million to CHF 3.3 million due to the sale of interest rate instruments in the prior-year period.

Client Units achieve significantly higher income and robust margins

Vontobel is continuing to reap the benefits of its positioning as a high-conviction manager and of the successful diversification strategy it has been pursuing for years. This was also highlighted by its acquisition of the remaining shares in TwentyFour Asset Management ahead of schedule, at the end of June 2021. In the Asset Management Client Unit, operating income increased by 17 percent in the first half of 2021 compared to the prior-year period – in line with the growth in average assets under management of 19 percent – and reached CHF 290.5 million, while the gross margin remained stable at 42 basis points.

Higher commission income and trading income led to a marked increase in operating income of 32 percent to CHF 96.9 million in Platforms & Services. The gross margin was 45 basis points (first half of 2020: 54 basis points). It was thus close to the level of the gross margin in the second half of 2020, already reflecting the normalization of transaction volumes following the corona-driven increase in volumes.

In the period under review, Wealth Management maintained its momentum following its success in the second half of 2020, with operating income rising by 9 percent to CHF 235.0 million compared to the prior-year period. As the trading activity of our wealth management clients returned to more normal levels from the second half of 2020, the gross margin in the first half of 2021 normalized compared to the very strong level seen in the first half of 2020. For the first six months of 2021, the gross margin was solid at 69 basis points and was thus in line with the gross margin for the second half of 2020.

Operating income in Digital Investing in the first half of 2021 was shaped by the strong demand for structured products as well as the supportive market environment. Clients used our broad product range as well as our reliable technology platforms and invested both in leverage and investment products. There was also continued demand for products that allow investors to participate in the development of cryptocurrencies. As a result, operating income grew significantly, increasing from CHF 89.2 million in the prior-year period to CHF 165.5 million.

Operating income by Client Unit / Center of Excellence

CHF M	H1 2021	H1 2020	H2 2020
Asset Management	290.5	248.5	266.2
Platforms & Services	96.9	73.4	79.0
Wealth Management	235.0	215.5	208.0
Digital Investing	165.5	89.2	94.2
Centers of Excellence Reconciliation	–8.3	–3.6	–4.9

Cost / income ratio of less than 70 percent – partly reflecting profit contribution from Digital Investing

Vontobel’s operating expense rose by 17 percent to CHF 546.2 million compared to the prior-year period. This increase was mainly driven by higher personnel expense of CHF 381.2 million, up 21 percent compared to the first half of 2020, which largely reflected the very successful first half of 2021. Further, average headcount (full-time equivalents) was 3 percent higher than in the prior-year period. Adjusted for the acquisition of the remaining shares in TwentyFour Asset Management, which resulted in a CHF 24.6 million charge to personnel expense and the reduction of pension fund liabilities following a change in the conversion rate of CHF 15.5 million, the increase in personnel expense was 18 percent.

Based on our growth initiatives, we hired asset management specialists in Hong Kong, Japan and Singapore and we strengthened our teams in the area of digitization and data management. This will allow us to capture further growth potential while also delivering efficiency enhancements. This transformation process is being supported by the use of state-of-the-art technological resources. As part of our Asia growth strategy, the China A-Shares Research team in Hong Kong established new investment competencies. In addition, Vontobel further expanded its expertise in the area of quantitative investments. Vontobel will continue to build on the combined power of people and technology in the future.

In the first half of 2021, general expense was 8 percent higher than in the prior-year period. While travel and representation costs continued to decline, further investments were made in IT and IT infrastructure.

Deprecation as well as provisions and losses totaled CHF 49.4 million and CHF 4.0 million, respectively, up slightly compared to the prior-year period. The volume of capital expenditure on property, equipment and software reached CHF 43.9 million in the period under review, with a large proportion of the expenditure once again focusing on digitization projects.

Capital expenditure and depreciation

CHF M	H1 2021	H1 2020	H2 2020
Capital expenditure [1]	43.9	40.4	45.2
of which property, equipment and software	*43.9*	*40.4*	*45.2*
Depreciation	49.4	47.8	50.8

1 Additions to property, equipment and intangible assets

Operating efficiency improved from 74.7 percent in the first half of 2020 to 69.6 percent. This was due, among other things, to the significantly higher profit contribution from structured products, which was accompanied by a below-average increase in costs. Adjusted for one-off effects, the cost / income ratio was 68.4 percent (H1 2020: 74.1 percent).

Significant improvement in pre-tax profit and earnings per share

Pre-tax profit grew significantly, rising by CHF 77.3 million or 50 percent to CHF 233.4 million. That includes extraordinary reductions in personnel expense due to a change in pension fund regulations in the amount of CHF 15.5 million and one-off personnel expenses related to the full acquisition of TwentyFour Asset Management in the amount of CHF 24.6 million before taxes. Compared to the prior-year period (CHF 160.2 million), the adjusted pre-tax result of CHF 242.5 million increased by 51 percent.

Reconciliation of reported to adjusted profit before taxes

CHF M	H1 2021	H1 2020	H2 2020
Profit before taxes	**233.4**	**156.1**	**164.9**
Acquisition of 100% of TwentyFour Asset Management	24.6		
Change in Pension Schemes Switzerland	–15.5		
Restructuring costs [1]		4.1	1.4
Profit before taxes on an adjusted basis	**242.5**	**160.2**	**166.3**

1 2020: CHF 5.5 M one-off implementation costs due to the realignment as a pure-play investment manager

Since the tax rate of 17.8 percent was on a similar level to the prior-year period (17.2 percent), there was a proportional increase in net profit of 48 percent for the first half of 2021 to CHF 191.8 million. Profit attributable to minority interests also remained relatively constant, and earnings per share therefore increased by 49 percent to CHF 3.24.

The good result for the first half of 2021 is also reflected by the return on equity of 18.7 percent, which reached its highest level since the financial crisis of 2007. The positive impacts of the completed acquisition of TwentyFour Asset Management are not yet fully included in that figure. All other things being equal, these effects will have a 2.0 percentage point impact on the return on equity.

Net profit influenced by continued strength of Swiss franc

As an asset and wealth manager with an international client structure and strong roots in its Swiss home market, Vontobel's financial result continues to be significantly affected by the Swiss franc exchange rate.

Structure of income statement by currency

IN %	H1 2021	H1 2020	H2 2020
Operating income			
CHF	46	40	41
EUR	13	16	14
USD	29	32	32
GBP	7	7	8
Other	5	6	5
Operating expense			
CHF	78	76	77
EUR	7	8	8
USD	8	9	8
GBP	4	5	4
Other	3	3	3

Compared to the first half of 2020, currency effects adversely impacted Vontobel's income and costs that are reported in Swiss francs in the period under review. Based on constant exchange rates, net profit before taxes would have been 56 percent higher. This is due not only to the strong Swiss franc but also to the structure of our income statement: 46 percent of income is generated in Swiss francs, followed by 29 percent in US dollars and 13 percent in euros. On the cost side, the Swiss franc is the dominant currency, accounting for 78 percent of expenses, while the US dollar accounted for only 8 percent and the euro for 7 percent of expenses. There were some shifts in the currency composition of the income statement – in terms of the main currencies – compared to the two prior periods, with a slight increase in the weighting of the Swiss franc.

Conservative risk management and continued comfortable capital position

Vontobel remains committed to a conservative risk management approach. At CHF 8.2 million, the average Value at Risk in the first half of 2021 was in line with the figure for the second half of 2020, while the prior-year period was affected by the turmoil in March 2020 and the related market volatility.

Value at Risk (VaR)

CHF M	H1 2021	H1 2020	H2 2020
Equities	7.4	10.4	5.5
Interest rates	3.3	4.5	4.8
Currencies	2.6	1.9	2.3
Commodities	0.2	0.6	0.3
Diversification effect	–5.2	–5.9	–5.2
Total	**8.2**	**11.4**	**7.7**

Average Value at Risk (6 months) for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Vontobel has maintained its comfortable capital position with a CET1 capital ratio of 14.5 percent and a Tier 1 capital ratio of 20.5 percent. Both ratios substantially exceed the regulatory minimum requirements defined by FINMA of 7.8 percent for the CET1 capital ratio and of 12 percent or the Total Capital Ratio for Category 3 banks, including Vontobel.

Vontobel's very solid capital position is also reflected by the equity ratio of 5.8 percent and a leverage ratio under Basel III of 4.5 percent. Consolidated shareholders' equity was CHF 2.0 billion at the end of June 2021, and was therefore 4 percent higher than on December 31, 2020. Furthermore, Vontobel's balance sheet is highly liquid and, with a liquidity coverage ratio averaging 192.5 percent for the period under review, significantly exceeds the minimum requirement of 100 percent defined by FINMA.

Total assets increased by 7 percent to CHF 33.7 billion in the period under review compared to the end of 2020. Client deposits were unchanged at CHF 14.6 billion, while other financial liabilities at fair value from the issuance of structured products and interest rate instruments rose slightly from CHF 10.8 billion to CHF 11.7 billion.

On the assets side of the balance sheet, hedging positions for the business with structured products increased. This was primarily reflected by an increase in the item "Receivables from securities financing transactions", while trading portfolio assets and replacement values decreased. Loans to clients rose by 9 percent to CHF 7.0 billion.

Capital and liquidity

Eligible and required capital

CHF M	30.06.2021	31.12.2020
Eligible capital		
Equity according to balance sheet	1,959.4	1,891.6
Paid-in capital	*56.9*	*56.9*
Disclosed reserves	*1,772.6*	*1,657.9*
Net profit for the current financial year	*181.8*	*242.7*
Deduction for treasury shares	*–51.9*	*–65.9*
Deduction for minority interests	0.0	0.0
Deduction for dividends (current estimate)	–90.9	–128.0
Deduction for goodwill	–487.1	–483.5
Deduction for intangible assets	–67.6	–73.3
Deduction for deferred tax assets	–13.6	–24.0
Addition (deduction) for losses (gains) due to changes in own credit risk	2.5	0.8
Deduction for unrealised gains related to financial investments	–90.8	–91.1
Deduction for defined benefit pension fund assets (IAS 19)	–82.9	0.0
Other adjustments	–50.6	–68.1
Net eligible BIS common equity tier 1 capital (CET1)	**1,078.4**	**1,024.4**
Additional tier 1 capital (AT1)	448.8	448.6
Net eligible BIS tier 1 capital	**1,527.2**	**1,473.0**
Supplementary capital (tier 2)	0.0	0.0
Other deductions from total capital	0.0	0.0
Net eligible regulatory capital (BIS tier 1 + 2)	**1,527.2**	**1,473.0**
Risk-weighted positions		
Credit risks	3,173.2	3,334.1
Receivables	*3,066.4*	*3,229.5*
Price risk relating to equity instruments in the banking book	*106.8*	*104.6*
Non-counterparty related risks	350.9	350.4
Market risks	1,640.3	1,540.2
Interest rates	*702.1*	*774.4*
Equities	*586.3*	*432.6*
Currencies	*205.7*	*169.4*
Gold	*7.0*	*18.1*
Commodities	*139.2*	*145.7*
Operational risk	2,288.3	2,222.8
Total risk-weighted positions	**7,452.7**	**7,447.5**

The disclosure of capital requirements, the leverage ratio and the liquidity coverage ratio is made in accordance with the requirements set out in FINMA Circular 16/01. The values used to calculate the liquidity coverage ratio are simple monthly averages for the relevant quarter or half year. The average is calculated based on the values shown in the monthly liquidity status reports submitted to FINMA and the SNB. This results in three data points per quarter.

Since 2019, the liquidity coverage ratio should be at least 100 percent. The main factors influencing Vontobel's liquidity coverage ratio are cash holdings as high-quality liquid assets, customer cash accounts as weighted cash outflows, and reverse-repurchase agreements with maturities within 30 calendar days as cash inflows.

Capital ratios in accordance with FINMA Circular 16 / 01

AS A PERCENTAGE OF RISK-WEIGHTED POSITIONS	30.06.2021	31.12.2020
CET1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 4.5 %)[1]	14.5	13.8
Tier 1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 6.0 %)[2]	20.5	19.8
Total capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 8.0 %)[3]	20.5	19.8
CET1 available to cover BCBS minimum capital and buffer requirements after deduction of AT1 and T2 capital requirements which are filled by CET1	10.0	9.3
CET1 available	15.5	13.8
T1 available	18.1	17.4
Eligible regulatory capital available	20.5	19.8

1 Target CET1 capital ratio according to Annex 8 of the CAO plus countercyclical buffer: 7.8 %
2 Target T1 capital ratio according to Annex 8 of the CAO plus countercyclical buffer: 9.6 %
3 Target Total capital ratio according to Annex 8 of the CAO plus countercyclical buffer: 12.0 %

The countercyclical buffer requirement (as a percentage of risk-weighted positions) is 0.0 (31.12.2020: 0.0).
All investments in financial sector companies (< 10 %) are risk-weighted for capital calculations (30.06.2021: CHF 17.8 M 31.12.2020: CHF 17.8 M).

Leverage ratio in accordance with FINMA Circular 15 / 03

	30.06.2021	31.12.2020
Net eligible BIS tier 1 capital in CHF M	1,527.2	1,473.0
Total leverage ratio exposure in CHF M	33,620.7	31,827.8
Leverage ratio (unweighted capital ratio in accordance with Basel III) in %	4.5	4.6

Liquidity coverage ratio in accordance with FINMA Circular 15 / 02

AVERAGE	H1 2021	Q2 2021	Q1 2021
Total stock of high quality liquid assets (HQLA) in CHF M	8,262.1	8,307.6	8,216.7
Total net cash outflows in CHF M	4,292.8	4,330.3	4,255.3
Liquidity coverage ratio (LCR) in %	192.5	191.8	193.1

Consolidated income statement

Consolidated income statement

	NOTE	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Interest income		46.1	47.2	45.2	–1.1	–2
Interest expense		11.5	9.4	11.8	2.1	22
Net interest income		**34.7**	**37.8**	**33.3**	**–3.1**	**–8**
Credit loss (expense) / recovery		1.0	2.0	–0.1	–1.0	–50
Net interest income after credit losses	1	**35.7**	**39.8**	**33.2**	**–4.1**	**–10**
Fee and commission income		661.4	574.3	595.7	87.1	15
Fee and commission expense		214.4	158.6	175.6	55.8	35
Net fee and commission income	2	**447.1**	**415.6**	**420.2**	**31.5**	**8**
Trading income	3	**293.6**	**160.5**	**185.0**	**133.1**	**83**
Other income	4	**3.3**	**7.1**	**4.1**	**–3.8**	**–54**
Total operating income		**779.6**	**623.0**	**642.5**	**156.6**	**25**
Personnel expense	5	381.2	314.3	325.7	66.9	21
General expense	6	111.5	103.6	96.2	7.9	8
Depreciation of property, equipment (incl. software) and intangible assets	7	49.4	47.8	50.8	1.6	3
Provisions and losses	8	4.0	1.3	4.9	2.7	208
Total operating expense		**546.2**	**466.9**	**477.6**	**79.3**	**17**
Profit before taxes		**233.4**	**156.1**	**164.9**	**77.3**	**50**
Taxes	9	41.5	26.9	34.6	14.6	54
Group net profit		**191.8**	**129.2**	**130.3**	**62.6**	**48**
of which allocated to minority interests		*10.0*	*7.5*	*9.2*	*2.5*	*33*
of which allocated to shareholders of Vontobel Holding AG		*181.8*	*121.6*	*121.0*	*60.2*	*50*

Share information (CHF)

Basic earnings per share [1]		3.24	2.18	2.16	1.06	49
Diluted earnings per share [1]		3.18	2.14	2.11	1.04	49

1 Basis: Weighted average number of shares

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

	NOTE	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Group net profit according to the income statement		**191.8**	**129.2**	**130.2**	**62.6**	**48**
Other comprehensive income, net of tax	10					
Other comprehensive income that will be reclassified to the income statement						
Currency translation adjustments:						
Income during the reporting period		11.2	–11.9	–2.0	23.1	
Gains and losses transferred to the income statement						
Total currency translation adjustments		11.2	–11.9	–2.0	23.1	
Debt instruments in financial investments:						
Income during the reporting period		–6.4	2.7	6.0	–9.1	–337
Gains and losses transferred to the income statement		–0.9	–1.0	–0.2	0.1	
Total debt instruments in financial investments		–7.3	1.7	5.8	–9.0	–529
Cash flow hedges:						
Income during the reporting period		–0.0	0.1	–0.4	–0.1	–100
Gains and losses transferred to the income statement						
Total cash flow hedges		–0.0	0.1	–0.4	–0.1	–100
Total other comprehensive income that will be reclassified to the income statement		**3.8**	**–10.1**	**3.4**	**13.9**	
Other comprehensive income that will not be reclassified to the income statement						
Income from equity instruments in financial investments		5.1	–2.0	3.5	7.1	
Income from defined benefit pension plans		92.9	–46.1	49.9	139.0	
Total other comprehensive income that will not be reclassified to the income statement		**97.9**	**–48.0**	**53.3**	**145.9**	
Total other comprehensive income, net of tax		**101.7**	**–58.2**	**56.8**	**159.9**	
Comprehensive income		**293.6**	**71.0**	**186.9**	**222.6**	**314**
of which allocated to minority interests		*10.3*	*7.3*	*9.3*	*3.0*	*41*
of which allocated to shareholders of Vontobel Holding AG		*283.3*	*63.7*	*177.7*	*219.6*	*345*

Consolidated balance sheet

Assets

	30.06.2021 CHF M	31.12.2020 CHF M	CHANGE TO 31.12.2020 CHF M	IN %
Cash	7,151.7	6,449.0	702.7	11
Due from banks	954.4	738.2	216.2	29
Receivables from securities financing transactions	1,767.9	1,255.4	512.5	41
Trading portfolio assets	6,947.5	7,327.4	–379.9	–5
Positive replacement values	334.4	372.2	–37.8	–10
Other financial assets at fair value	4,685.6	5,082.7	–397.1	–8
Loans	6,956.6	6,378.6	578.0	9
Financial investments	2,204.1	2,253.3	–49.2	–2
Investments in associates	5.1	5.6	–0.5	–9
Property, equipment and software	350.9	350.4	0.5	0
Goodwill and other intangible assets	554.7	556.8	–2.1	–0
Other assets	1,753.9	652.7	1,101.2	169
Total assets	**33,666.9**	**31,422.4**	**2,244.5**	**7**

Liabilities and equity

	30.06.2021	31.12.2020	CHANGE TO 31.12.2020	
	CHF M	CHF M	CHF M	IN %
Due to banks	996.5	715.8	280.7	39
Payables from securities financing transactions	288.1	302.5	–14.4	–5
Trading portfolio liabilities	183.1	111.0	72.1	65
Negative replacement values	1,161.1	1,215.6	–54.5	–4
Other financial liabilities at fair value	11,742.7	10,786.3	956.4	9
Due to customers	14,645.9	14,646.5	–0.6	–0
Debt issued	448.8	448.6	0.2	0
Provisions	19.1	18.2	0.9	5
Other liabilities	2,222.2	1,286.3	935.9	73
Total liabilities	**31,707.5**	**29,530.8**	**2,176.7**	**7**
Share capital	56.9	56.9		
Treasury shares	–51.9	–65.9	14.0	
Capital reserve	–381.4	–280.6	–100.8	
Retained earnings	2,383.3	2,230.7	152.6	7
Other components of shareholders' equity	–47.5	–49.4	1.9	
Shareholders' equity	**1,959.4**	**1,891.6**	**67.8**	**4**
Minority interests				
Total equity	**1,959.4**	**1,891.6**	**67.8**	**4**
Total liabilities and equity	**33,666.9**	**31,422.4**	**2,244.5**	**7**

Statement of equity

Statement of equity

CHF M	SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVE
Balance as of 01.01.2020	**56.9**	**–84.2**	**–225.9**
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
Comprehensive income			
Dividend payment[2]			
Purchase of treasury shares		–29.8	
Sale of treasury shares		7.9	–0.6
Share-based compensation expense			16.8
Allocations from share-based compensation		60.5	–41.4
Change in minority interests			–8.4
Other effects			
Ownership-related changes		**38.6**	**–33.6**
Balance as of 30.06.2020	**56.9**	**–45.6**	**–259.5**
Balance as of 01.01.2021	**56.9**	**–65.9**	**–280.6**
Group net profit			
Other comprehensive income that will be reclassified to the income statement			
Other comprehensive income that will not be reclassified to the income statement			
Comprehensive income			
Dividend payment[2]			
Purchase of treasury shares		–53.1	
Sale of treasury shares		6.2	–0.6
Share-based compensation expense			19.0
Allocations from share-based compensation		60.9	–24.5
Change in minority interests			–94.6
Other effects			
Ownership-related changes		**14.0**	**–100.8**
Balance as of 30.06.2021	**56.9**	**–51.9**	**–381.4**

1 “Currency translation adjustments”, “Unrealized income from debt instruments in financial investments” and “Cash flow hedges” are reported in the balance sheet item “Other components of shareholders’ equity”.
2 Vontobel Holding AG paid a dividend (gross) of CHF 2.25 (previous year CHF 2.25) per registered share with a par value of CHF 1.00 in April 2021.

RETAINED EARNINGS	CURRENCY TRANSLATION ADJUSTMENTS[1]	UNREALIZED INCOME FROM DEBT INSTRUMENTS IN FINANCIAL INVESTMENTS[1]	CASH FLOW HEDGES[1]	SHAREHOLDERS' EQUITY	MINORITY INTERESTS	TOTAL EQUITY
2,109.4	**–54.9**	**11.6**	**0.4**	**1,813.3**		**1,813.3**
121.6				121.6	7.5	129.2
	–11.6	1.7	0.1	–9.9	–0.3	–10.1
–48.0				–48.0		–48.0
73.6	**–11.6**	**1.7**	**0.1**	**63.7**	**7.3**	**71.0**
–126.6				–126.6	–7.9	–134.5
				–29.8		–29.8
				7.3		7.3
				16.8		16.8
				19.1		19.1
				–8.4	0.7	–7.8
–126.6				**–121.6**	**–7.3**	**–128.9**
2,056.4	**–66.5**	**13.2**	**0.4**	**1,755.4**		**1,755.4**
2,230.7	**–68.5**	**19.1**	**0.0**	**1,891.6**		**1,891.6**
181.8				181.8	10.0	191.8
	10.8	–7.3	–0.0	3.5	0.3	3.8
97.9				97.9		97.9
279.8	**10.8**	**–7.3**	**–0.0**	**283.2**	**10.3**	**293.6**
–127.2				–127.2	–4.4	–131.6
				–53.1		–53.1
				5.6		5.6
				19.0		19.0
				36.4		36.4
	–1.6			–96.2	–5.9	–102.1
–127.2	**–1.6**			**–215.5**	**–10.3**	**–225.8**
2,383.3	**–59.2**	**11.7**		**1,959.4**		**1,959.4**

Share capital and treasury shares

Share capital

	SHARE CAPITAL		AUTHORIZED CAPITAL		
	NUMBER OF SHARES	PAR VALUE CHF M	NUMBER OF SHARES	PAR VALUE CHF M	NUMBER OF OUTSTANDING SHARES[1]
Balance as of 01.01.2020	56,875,000	56.9			55,433,353
Balance as of 31.12.2020	56,875,000	56.9			55,752,302
Balance as of 30.06.2021	**56,875,000**	**56.9**			**56,117,176**

The share capital is fully paid in.

1 Share capital excluding treasury shares

Treasury shares

	NUMBER	CHF M
Balance as of 01.01.2020	1,441,647	84.2
Purchases	547,603	29.8
Decreases	–1,180,465	–68.4
Balance as of 30.06.2020	808,785	45.6
Purchases	409,203	26.1
Decreases	–95,290	–5.8
Balance as of 31.12.2020	1,122,698	65.9
Purchases	742,552	53.1
Decreases	–1,107,426	–67.2
Balance as of 30.06.2021	**757,824**	**51.9**

As of 30.06.2021 Vontobel held 6,009 (previous year: 4,711) treasury shares to hedge options and structured products. Treasury shares were offset against shareholders' equity in accordance with IAS 32.

Consolidated cash flow statement

Consolidated cash flow statement

CHF M	H1 2021	H1 2020
Cash flow from operating activities		
Group net profit (incl. minorities)	191.8	129.2
Reconciliation to net cash flow from operating activities		
Non-cash positions in Group results:		
Depreciation and valuation adjustments of property, equipment (incl. software) and intangible assets	49.4	47.8
Credit loss expense / (recovery)	0.0	–2.0
Net effect from investments in associates	–0.8	–0.5
Deferred income taxes	0.6	–5.0
Change in provisions	0.8	–1.4
Net income from investing activities	6.1	–1.7
Net income from disposal of property, equipment (incl. software) and intangible assets	–0.0	0.0
Other non-cash income	38.8	23.1
Net (increase) / decrease in assets relating to banking activities:		
Due from / to banks, net	280.8	–58.2
Receivables from securities financing transactions	–512.5	–620.7
Trading positions and replacement values, net	397.4	–10.9
Other financial assets / liabilities at fair value, net	1,353.6	–1,642.3
Loans / due to customers, net	–578.6	1,398.8
Other assets	–1,028.7	–194.6
Net increase / (decrease) in liabilities relating to banking activities:		
Payables from securities financing transactions	–14.4	354.0
Other liabilities	1,204.4	466.3
Taxes paid	–49.7	–39.4
Cash flow from operating activities	**1,339.0**	**–157.5**
Cash flow from investing activities		
Dividend from associates	1.2	0.9
Settlement of earn-out payments	–0.4	–0.5
Purchase of property, equipment (incl. software) and intangible assets	–26.5	–23.8
Disposal of property, equipment (incl. software) and intangible assets	0.0	0.0
Investment in financial instruments	–164.3	–191.0
Divestment of financial instruments	252.3	415.6
Cash flow from investing activities	**62.3**	**201.3**
Cash flow from financing activities		
Repayment of leasing liabilities	–16.2	–16.9
Net movements in treasury shares	–47.5	–22.5
Dividends paid	–131.6	–134.5
Change in minority interests	–290.2	
Cash flow from financing activities	**–485.5**	**–173.9**
Effects of exchange rate differences	3.1	–4.2
Net increase / (decrease) in cash and cash equivalents	**918.9**	**–134.3**
Cash and cash equivalents, beginning of the year	7,187.1	7,748.5
Cash and cash equivalents at the balance sheet date	**8,106.0**	**7,614.3**

The recognition of a lease liability and of a corresponding right of use asset at the lease commencement date represents a significant non-cash item. The leasing liabilities and the liability from the AT1 bond are liabilities from financing activities.

Information on the consolidated cash flow statement

CHF M	30.06.2021	30.06.2020
Cash and cash equivalents comprise at the balance sheet date		
Cash [1]	7,151.7	6,695.2
Due from banks on demand	954.2	919.1
Total	**8,106.0**	**7,614.3**

Further information

CHF M	H1 2021	H1 2020
Dividends received	33.9	25.7
Interest received	75.7	40.7
Interest paid	6.2	10.1

1 “Cash” comprises cash, giro and demand deposits at the Swiss National Bank and foreign central banks, as well as clearing credit balances at recognized clearing centers and clearing banks.

Accounting principles

1. Basis of presentation

Vontobel's consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS). This half-year report meets the requirements set out in IAS 34 – Interim Financial Reporting. Since it does not contain all of the information and disclosures required in the Annual Report, this interim report should be read in conjunction with the audited consolidated financial statements in the Annual Report 2020. With the exception of the following changes, the accounting principles applied in this report are the same as in the consolidated financial statements dated December 31, 2020.

2. Changes in financial reporting

2.1 Changes in accounting principles

2.1.1 Standards and interpretations that have been implemented

The following new or revised standards and interpretations were applied by Vontobel for the first time in the financial year 2021:

Interest Rate Benchmark Reform (IBOR-Reform, phase 2)

The amendments address matters that could have an accounting impact at the time of the actual replacement of an existing reference rate (e.g. LIBOR) with an alternative reference rate. Modifications to financial instruments that are necessary as a direct result of the IBOR reform and are made on an economically equivalent basis lead to the updating of the effective interest rate as a result of the amendments. Further, the amendments entail the easing of various requirements in hedge accounting, e.g. with regard to adjustments to hedge documentation required due to the IBOR reform.

The first-time application of the changes had no impact on Vontobel's consolidated financial statements.

Further information on the IBOR reform can be found in note 12.

Other new standards and interpretations

The following new or revised standards and interpretations did not have any significant impacts on Vontobel when applied for the first time or were not relevant for Vontobel:

- IFRS 16 – Covid-19-related Rent Concessions.

2.1.2 Other changes

None.

2.2 Changes in estimates

None.

Details on consolidated income statement

1 Net interest income after credit losses

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Interest income from banks and customers	28.1	29.5	27.8	–1.4	–5
Interest income from receivables from securities financing transactions	1.2	2.1	2.0	–0.9	–43
Interest income from financial liabilities	7.0	3.4	7.7	3.6	106
Total interest income from financial instruments at amortized cost	**36.3**	**34.9**	**37.5**	**1.4**	**4**
Dividend income from equity instruments in financial investments[1]	2.9	1.6		1.3	81
Interest income from debt instruments in financial investments	7.0	10.7	7.6	–3.7	–35
Total interest and dividend income from financial investments	**9.8**	**12.3**	**7.6**	**–2.5**	**–20**
Total interest income	**46.1**	**47.2**	**45.1**	**–1.1**	**–2**
Interest expense from payables from securities financing transactions	0.3	–0.6	2.2	0.9	
Interest expense from other financial liabilities at amortized cost	7.9	9.2	8.3	–1.3	–14
Interest expense from financial assets	3.2	0.9	1.3	2.3	256
Total interest expense from financial instruments at amortized cost	**11.5**	**9.4**	**11.8**	**2.1**	**22**
Credit loss (expense) / recovery on debt instruments in financial investments	0.0	0.1	0.0	–0.1	–100
Other credit loss (expense) / recovery	1.0	2.0	–0.1	–1.0	–50
Total credit loss (expense) / recovery	**1.0**	**2.0**	**–0.1**	**–1.0**	**–50**
Total	**35.7**	**39.8**	**33.2**	**–4.1**	**–10**

1 All income relates to positions that were still held at the end of the reporting period.

2 Net fee and commission income

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Brokerage fees	50.6	63.1	49.3	–12.5	–20
Administration and custody fees	112.9	99.6	103.5	13.3	13
Advisory and management fees	481.4	393.6	428.0	87.8	22
Corporate finance	0.5	0.4	1.1	0.1	25
Other commission income from securities and investment transactions	14.0	13.8	12.9	0.2	1
Total fee and commission income from securities and investment transactions	**659.5**	**570.4**	**594.9**	**89.1**	**16**
Other fee and commission income	**1.9**	**3.9**	**0.8**	**–2.0**	**–51**
Brokerage fees	18.8	14.4	15.5	4.4	31
Other commission expense	195.6	144.2	160.1	51.4	36
Total commission expense	**214.4**	**158.6**	**175.6**	**55.8**	**35**
Total	**447.1**	**415.6**	**420.2**	**31.5**	**8**

3 Trading income

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Securities	1,144.5	–1,156.9	1,127.0	2,301.4	
Other financial instruments at fair value	–884.3	1,306.1	–952.1	–2,190.4	–168
Forex and precious metals	33.4	11.3	10.0	22.1	196
Total	**293.6**	**160.5**	**185.0**	**133.1**	**83**

Trading income in the first half year of 2021 included income of CHF –1.9 M (H1 2020: CHF 4.3 M; H2 2020: CHF 7.1 M) for financial instruments in the balance sheet item "Other financial liabilities at fair value". This income is attributable to changes in fair value due to a change in own credit risk. Of the total impact, CHF –0.1 M was realized in the first half year of 2021 (H1 2020: CHF –0.4 M; H2 2020: CHF 0.1 M), while the remaining CHF –1.8 M (H1 2020: CHF 4.7 M; H2 2020: CHF 7.0 M) comprises unrealized income. The changes in own credit risk resulted in cumulative income of CHF –0.3 M, of which CHF 2.3 M was realized and CHF –2.5 M was unrealized. Cumulative unrealized income is shown in the balance sheet item "Other financial liabilities at fair value" and will be completely reversed over the term of the relevant instruments, provided they are not redeemed or repurchased prior to their contractual maturity.

4 Other income

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Real estate income [1]	0.8	0.8	0.8	0.0	0
Income from the sale of property and equipment	0.0	0.0	0.0	0.0	
Income from the sale of debt instruments in financial investments	0.4	4.7	1.7	–4.3	–91
Income from investments in associates	0.8	0.5	0.4	0.3	60
of which share of profit	*0.8*	*0.5*	*0.4*	*0.3*	*60*
Other income	1.3	1.1	1.3	0.2	18
Total	**3.3**	**7.1**	**4.1**	**–3.8**	**–54**

1 Income from the subleasing of business premises

5 Personnel expense

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	CHANGE TO H1 2020 IN %
Salaries and bonuses	311.4	256.2	264.8	55.2	22
Pension and other employee benefit plans [1]	10.8	26.7	25.9	–15.9	–60
Other social contributions	24.8	21.7	21.6	3.1	14
Other personnel expense [2]	34.3	9.7	13.3	24.6	254
Total	**381.2**	**314.3**	**325.7**	**66.9**	**21**

Personnel expense includes the expense for share-based compensation of CHF 17.7 M (H1 2020: CHF 16.8 M; H2 2020: CHF 16.9 M), of which CHF 13.5 M (H1 2020: CHF 12.9 M; H2 2020: CHF 14.4 M) relates to performance shares and CHF 4.2 M (H1 2020: CHF 3.9 M; H2 2020: CHF 2.5 M) to the awarding of bonus shares at preferential terms as well as deferred compensation in cash of CHF 3.9 M (H1 2020: CHF 2.7 M; H2 2020: CHF 4.0 M).

1 H1 2021: The item "Pension and other employee benefit plans" includes the impacts of changes in pension fund regulations in Switzerland in the amount of CHF 15.5 M (income due to the reduction of conversion rates).
2 H1 2021: The item "Other personnel expense" includes an expense of CHF 24.6 M related to the full acquisition of TwentyFour Asset Management LLP.

6 General expense

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	IN %
Occupancy expense	5.7	6.0	5.4	–0.3	–5
IT, telecommunications and other equipment	50.3	47.0	44.3	3.3	7
Travel and representation, public relations, marketing	9.8	12.5	9.1	–2.7	–22
Consulting and audit fees	23.7	16.0	16.7	7.7	48
Other general expense	22.0	21.9	20.6	0.1	0
Total	**111.5**	**103.6**	**96.2**	**7.9**	**8**

7 Depreciation of property, equipment (incl. software) and intangible assets

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	IN %
Depreciation of property and equipment (incl. software)	43.3	40.6	44.8	2.7	7
Amortization of other intangible assets	5.7	6.8	5.7	–1.1	–16
Impairments of property and equipment (incl. software)	0.5	0.4	0.4	0.1	25
Total	**49.4**	**47.8**	**50.8**	**1.6**	**3**

8 Provisions and losses

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	IN %
Increase in provisions	1.1		1.1	1.1	
Release of provisions		–0.2	–0.4	0.2	
Recoveries					
Other	2.9	1.5	4.2	1.4	93
Total	**4.0**	**1.3**	**4.9**	**2.7**	**208**

9 Taxes

	H1 2021 CHF M	H1 2020 CHF M	H2 2020 CHF M	CHANGE TO H1 2020 CHF M	IN %
Current income taxes	40.9	31.9	37.0	9.0	28
Deferred income taxes	0.6	–5.0	–2.4	5.6	
Total	**41.5**	**26.9**	**34.6**	**14.6**	**54**

10 Tax effects to other comprehensive income

CHF M	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE)	AMOUNT NET OF TAX
			H1 2021
Translation differences during the reporting period	11.2		11.2
Translation differences transferred to the income statement			
Income from debt instruments in financial investments during the reporting period	–7.9	1.5	–6.4
Income from debt instruments in financial investments transferred to the income statement	–1.1	0.2	–0.9
Income from cash flow hedges during the reporting period	–0.1	0.0	–0.0
Income from cash flow hedges transferred to the income statement			
Income from equity instruments in financial investments	6.3	–1.2	5.1
Income from defined benefit pension plans	116.1	–23.2	92.9
Total	**124.4**	**–22.7**	**101.7**

CHF M	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE)	AMOUNT NET OF TAX
			H1 2020
Translation differences during the reporting period	–11.9		–11.9
Translation differences transferred to the income statement			
Income from debt instruments in financial investments during the reporting period	3.5	–0.9	2.7
Income from debt instruments in financial investments transferred to the income statement	–1.3	0.2	–1.0
Income from cash flow hedges during the reporting period	0.1	–0.0	0.1
Income from cash flow hedges transferred to the income statement			
Income from equity instruments in financial investments	–2.4	0.5	–2.0
Income from defined benefit pension plans	–57.6	11.5	–46.1
Total	**–69.5**	**11.3**	**–58.2**

CHF M	AMOUNT BEFORE TAX	TAX INCOME/ (EXPENSE)	AMOUNT NET OF TAX
			H2 2020
Translation differences during the reporting period	–2.0		–2.0
Translation differences transferred to the income statement			
Income from debt instruments in financial investments during the reporting period	6.9	–0.9	6.0
Income from debt instruments in financial investments transferred to the income statement	–0.3	0.0	–0.2
Income from cash flow hedges during the reporting period	–0.5	0.1	–0.4
Income from cash flow hedges transferred to the income statement			
Income from equity instruments in financial investments	4.3	–0.8	3.5
Income from defined benefit pension plans	62.4	–12.5	49.9
Total	**70.9**	**–14.1**	**56.8**

Balance sheet risks

11 Fair value of financial instruments

11a Financial instruments measured at fair value
The following table shows the assignment to the fair value hierarchy of those financial instruments that are measured at fair value. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Financial instruments measured at fair value

CHF M	LEVEL 1	LEVEL 2	LEVEL 3	30.06.2021 TOTAL
Assets				
Trading portfolio assets	6,830.9	116.6	0.0	6,947.5
Debt instruments	*246.2*	*116.6*		*362.8*
Equity instruments	*3,694.8*		*0.0*	*3,694.8*
Units in investment funds	*370.3*		*0.0*	*370.4*
Precious metals	*1,756.5*			*1,756.5*
Cryptocurrencies	*763.0*			*763.0*
Positive replacement values		334.4		334.4
Other financial assets at fair value	3,666.9	1,013.6	5.1	4,685.6
Debt instruments [1]	*3,612.0*	*926.0*	*0.0*	*4,538.1*
Equity instruments	*0.0*		*1.9*	*1.9*
Units in investment funds	*54.8*	*0.0*	*3.2*	*58.1*
Structured products		*87.5*		*87.5*
Financial investments	2,030.9	46.7	126.5	2,204.1
Debt instruments	*2,030.9*	*46.7*		*2,077.6*
Equity instruments			*126.5*	*126.5*
Other assets				
Total financial assets at fair value	**12,528.6**	**1,511.3**	**131.6**	**14,171.5**
Liabilities				
Trading portfolio liabilities	180.6	2.5		183.1
Debt instruments	*92.9*	*2.5*		*95.4*
Equity instruments	*87.2*			*87.2*
Units in investment funds	*0.5*			*0.5*
Negative replacement values		1,161.1		1,161.1
Other financial liabilities at fair value [2]		11,742.7		11,742.7
Structured products		*11,440.8*		*11,440.8*
Debt instruments		*301.9*		*301.9*
Other liabilities			1.6	1.6
Total financial liabilities at fair value	**180.6**	**12,906.4**	**1.6**	**13,088.5**

1 In the case of dept instruments measured at fair value through profit and loss, the difference between the book value (fair value) and the contractually agreed redemption amount at maturity was CHF 55.3 M.
2 Level 2 of the balance sheet item “Other financial liabilities at fair value” comprises listed issued products with a fair value of CHF 5,791.6 M.

Financial instruments measured at fair value

CHF M	LEVEL 1	LEVEL 2	LEVEL 3	31.12.2020 TOTAL
Assets				
Trading portfolio assets	7,235.1	92.2	0.0	7,327.4
Debt instruments	*227.6*	*92.2*		*319.8*
Equity instruments	*3,021.2*		*0.0*	*3,021.2*
Units in investment funds	*276.5*			*276.5*
Precious metals	*2,724.3*			*2,724.3*
Cryptocurrencies	*985.5*			*985.5*
Positive replacement values		372.2		372.2
Other financial assets at fair value	3,992.2	1,085.3	5.2	5,082.7
Debt instruments [1]	*3,935.4*	*1,025.8*		*4,961.3*
Equity instruments	*0.0*		*1.9*	*1.9*
Units in investment funds	*56.7*	*0.0*	*3.3*	*60.0*
Structured products		*59.5*		*59.5*
Financial investments	2,078.3	55.0	119.9	2,253.3
Debt instruments	*2,078.3*	*55.0*		*2,133.4*
Equity instruments			*119.9*	*119.9*
Other assets				
Total financial assets at fair value	**13,305.6**	**1,604.8**	**125.2**	**15,035.6**
Liabilities				
Trading portfolio liabilities	103.7	7.3		111.0
Debt instruments	*64.1*	*7.3*		*71.4*
Equity instruments	*39.6*			*39.6*
Units in investment funds				
Negative replacement values		1,215.6		1,215.6
Other financial liabilities at fair value [2]		10,786.3		10,786.3
Structured products		*10,413.7*		*10,413.7*
Debt instruments		*372.6*		*372.6*
Other liabilities			165.6	165.6
Total financial liabilities at fair value	**103.7**	**12,009.1**	**165.6**	**12,278.5**

1 In the case of dept instruments measured at fair value through profit and loss, the difference between the book value (fair value) and the contractually agreed redemption amount at maturity was CHF 68.2 M.
2 Level 2 of the balance sheet item "Other financial liabilities at fair value" comprises listed issued products with a fair value of CHF 5,489.2 M.

Level 1 instruments

In the fair value hierarchy defined in IFRS 13, level 1 instruments are those financial instruments whose fair value is based on quoted prices in active markets. This category essentially comprises almost all equity instruments and government bonds, liquid dept instruments issued by public sector entities and companies, investment funds for which a binding net asset value is published at least daily, as well as precious metals and cryptocurrencies.

Mid-market prices are used for the valuation of dept instruments in the trading book provided the market price risks from these positions are offset fully or to a significant extent by other positions in the trading book. For the valuation of other dept instruments, bid prices are used in the case of long positions and ask prices in the case of short positions. For equity instruments and listed investment funds, the closing prices of the relevant markets are used. Published net asset values are used in the case of unlisted investment funds. For foreign currencies, precious metals and cryptocurrencies, generally accepted prices are applied.

No valuation adjustments are made in the case of level 1 instruments.

Level 2 instruments

Level 2 instruments are financial instruments whose fair value is based on quoted prices in markets that are not active or on a valuation method where significant input parameters can be observed directly or indirectly. This mainly includes derivatives, products issued by Vontobel and dept instruments issued by public sector entities and companies with reduced market liquidity, as well as investment funds for which a binding net asset value is published at least quarterly.

Generally accepted valuation models and quoted prices in markets that are not active are used to determine the fair value of derivatives, including option components of structured products. The present value method is used to determine the fair value of the interest rate components of issued products. To measure the fair value of dept instruments where quoted prices are available but the low trading volume means there is no active market, the same rules apply to the use of mid-market prices and bid or ask prices as for the corresponding level 1 instruments. The valuation of dept instruments for which no quoted prices are available is carried out using generally accepted methods. Published net asset values are used in the case of investment funds.

The valuation models take account of the relevant parameters such as contract specifications, the market prices of the underlying assets, foreign exchange rates, market interest rates or funding rates, default risks, volatilities and correlations. Vontobel’s credit risk is only taken into account when determining the fair value of financial liabilities if market participants would consider it when calculating prices. OTC derivatives are traded only on a collateralized basis, which is why own credit risk (as well as third-party credit risk in the case of receivables) is not included in the valuation.

Level 3 instruments

Level 3 instruments are financial instruments whose fair value is based on a valuation method that uses at least one significant input parameter that cannot be observed directly or indirectly in the market. They include primarily several unlisted equity instruments in financial investmens.

The fair value of these equity instruments is based on the proportionate share of the net asset value, taking account of any further valuation-relevant factors.

The liability to acquire minority interests of 40 percent in TwentyFour Asset Management LLP was derecognized following the full acquisition of the subsidiary on June 30, 2021. See note 16 for further information.

The following table shows the change in level 3 financial instruments in Vontobel’s balance sheet and the income on the positions as of the balance sheet date.

Level 3 financial instruments

CHF M	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS	30.06.2021 TOTAL FIANCIAL ASSETS	OTHER LIABILITIES[1]	30.06.2021 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	5.2	119.9		125.2	–165.6	–165.6
Additions in scope of consolidations						
Disposals from scope of consolidation						
Investments	0.0	0.3		0.3		
Disposals						
Redemptions	–0.1			–0.1	290.7	290.7
Net gains / (losses) recognized in the income statement	–0.0			–0.0	–24.6	–24.6
Net gains / (losses) recognized in other comprehensive income		6.3		6.3		
Change recognized in shareholders' equity					–102.1	–102.1
Reclassifications to level 3	0.0			0.0		
Reclassifications from level 3						
Total book value at balance sheet date	**5.1**	**126.5**		**131.6**	**–1.6**	**–1.6**

Income in the financial year on holdings on balance sheet date				**H1 2021**		**H1 2021**
Net gains / (losses) recognized in the income statement	0.1			0.1		
Net gains / (losses) recognized in other comprehensive income		6.3		6.3		

1 This item comprises the liability to acquire minority interests of 40% in TwentyFour Asset Management LLP (30.06.2021: n/a; 31.12.2020: CHF 163.6 M) and the liability from an earn-out agreement relating to the acquisition of the US-based private clients portfolio from Lombard Odier (30.06.2021: CHF 1.6 M; 31.12.2020: CHF 2.0 M). See note 16 for information on the full acquisition of TwentyFour Asset Management LLP on June 30, 2021.

Level 3 financial instruments

CHF M	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS	30.06.2020 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES[1]	30.06.2020 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	5.6	118.1		123.7	–117.2	–117.2
Additions in scope of consolidations						
Disposals from scope of consolidation						
Investments	0.4			0.4		0.0
Disposals						
Redemptions	–0.0			–0.0	0.5	0.5
Net gains / (losses) recognized in the income statement	–0.1			–0.1	–0.4	–0.4
Net gains / (losses) recognized in other comprehensive income		–2.4		–2.4		
Change recognized in shareholders' equity[2]					–7.9	–7.9
Reclassifications to level 3	0.0			0.0		
Reclassifications from level 3						
Total book value at balance sheet date	**5.9**	**115.6**		**121.5**	**–125.0**	**–125.0**
Income in the financial year on holdings on balance sheet date				**H1 2020**		**H1 2020**
Net gains / (losses) recognized in the income statement	–0.1			–0.1	–0.4	–0.4
Net gains / (losses) recognized in other comprehensive income		–2.4		–2.4		

1 This item comprises the liability to acquire minority interests of 40% in TwentyFour Asset Management LLP (30.06.2020: CHF 122.4 M; 31.12.2019: CHF 114.2 M) and the liability from an earn-out agreement relating to the acquisition of the US-based private clients portfolio from Lombard Odier (30.06.2020: CHF 2.6 M; 31.12.2019: CHF 3.0 M).

2 The item "Change recognized in shareholders' equity" also includes translation differences from the liability to acquire minority interests of 40 percent in TwentyFour Asset Management LLP, which were reported separately in prior years.

Valuation adjustments

The fair value of level 2 and level 3 instruments is always an estimate or an approximation of a value that cannot be determined with absolute certainty. In addition, the valuation methods used do not always reflect all the factors that are relevant when determining fair value. To ensure appropriate valuations in the case of products issued by Vontobel and OTC contracts, further factors such as model uncertainties and liquidity risks are taken into account where this is deemed necessary. Adjustments made due to model uncertainties reflect the limits of the valuation model used. Adjustments made due to liquidity risks take account of pricing risks related to hedging positions. Management believes it is necessary and appropriate to take these factors into account in order to correctly determine the fair value.

The appropriateness of the valuation of financial instruments that are not traded in an active market is ensured through the application of clearly defined methods and processes as well as independent controls. The control processes comprise the analysis and approval of new instruments, the regular analysis of risks as well as gains and losses, the verification of prices and the examination of the models on which the estimates of the fair value of financial instruments are based. These controls are conducted by units that possess the relevant specialist knowledge and operate independently from the trading and investment functions.

Sensitivity of fair values of level 3 instruments

A change in the net asset value of unlisted equity instruments leads to a proportional change in fair value. A reasonably realistic change in input parameters has no significant impact on Vontobel's consolidated financial statements.

Day 1 profit

For level 1 and level 2 instruments, any difference between the transaction price and fair value – referred to as "day 1 profit" – is recorded in "Trading income" in the case of trading portfolio assets and liabilities, other financial instruments at fair value and derivative financial instruments. It is recorded in "Other comprehensive income" in the case of financial investments.

For level 3 instruments, "day 1 profit" is deferred and only recognized through profit or loss at a later point in time. During the financial year and the previous year, no level 3 instruments with deferred "day 1 profit" were recorded.

Reclassifications within the fair value hierarchy

In the first half 2021 (H1 2020 and H2 2020, respectively), positions with a fair value of CHF 58.0 million (H1 2020: CHF 178.5 million; H2 2020: CHF 113.2 million) were reclassified from level 1 to level 2 and positions with a fair value of CHF 88.3 million (H1 2020: CHF 71.9 million; H2 2020: CHF 98.5 million) were reclassified from level 2 to level 1. In the event of changes in the availability of market prices (market liquidity) or of binding net asset values of investment funds, reclassifications are made at the end of the period under review.

11b Financial instruments measured at amortized cost
The following table shows the book value, the estimated fair value and the assignment to the fair value hierarchy of those financial instruments that are measured at amortized cost.

Financial instruments measured at amortized cost

					30.06.2021		31.12.2020
CHF M	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE TOTAL	BOOK VALUE TOTAL	FAIR VALUE TOTAL	BOOK VALUE TOTAL
Assets							
Cash	7,151.7			7,151.7	7,151.7	6,449.0	6,449.0
Due from banks		954.4		954.4	954.4	738.2	738.2
Receivables from securities financing transactions		1,767.9		1,767.9	1,767.9	1,255.4	1,255.4
Loans		7,119.6		7,119.6	6,956.6	6,565.9	6,378.6
Other assets [1]	33.0	1,507.0		1,540.1	1,540.1	545.0	545.0
Total	**7,184.8**	**11,349.0**		**18,533.7**	**18,370.7**	**15,553.7**	**15,366.3**
Liabilities							
Due to banks		996.5		996.5	996.5	715.8	715.8
Payables from securities financing transactions		288.1		288.1	288.1	302.5	302.5
Due to customers		14,645.9		14,645.9	14,645.9	14,646.5	14,646.5
Debt issued	457.9			457.9	448.8	456.8	448.6
Other liabilities [1]	0.5	1,417.0		1,417.5	1,417.5	796.7	796.7
Total	**458.4**	**17,347.5**		**17,805.9**	**17,796.8**	**16,918.2**	**16,910.1**

1 The position mainly includes the accrued interest as well as open settlement positions.

Short-term financial instruments at amortized cost or par value
This includes due from/to banks, loans and due to customers, as well as receivables/payables from securities financing transactions that have a maturity or a refinancing profile of a maximum of one year, the balance sheet item “cash”, as well as financial instruments included in other assets/liabilities. In the case of short-term financial instruments, it is assumed that the book value is close enough to the fair value.

Long-term financial instruments at amortized cost
This includes due from/to banks, loans and due to customers as well as receivables/payables from securities financing transactions that have a maturity or a refinancing profile of over one year, as well as debt issued. Fair value is determined using the present value method. For the valuation of the AT1 bond, the ask price is used.

12 IBOR reform

Background

As part of the IBOR reform, existing reference rates (IBOR rates) will be replaced by overnight alternative reference rates. In March 2021, the UK's Financial Conduct Authority (FCA) announced that it intends to cease publication of all London Interbank Offered Rate (LIBOR) settings for the currencies CHF, EUR, GBP and JPY, as well as the 1 week and 2 month USD LIBOR settings, after December 31, 2021. For the other USD LIBOR settings, publication will cease immediately after June 30, 2023.

Relevance for Vontobel

Vontobel holds numerous financial instruments that are based on IBOR rates. The largest exposures are to CHF LIBOR and USD LIBOR, which will be replaced by the Swiss Average Rate Overnight (SARON) and the Secured Overnight Financing Rate (SOFR), respectively. In the case of IBOR-based financial instruments that will mature before IBOR cessation, there is basically no need for action to be taken. However, IBOR-based financial instruments with maturities extending beyond IBOR cessation must be changed to an alternative reference rate. Particular attention must be paid to IBOR-based financial instruments without legally or operationally robust fallback clauses or written agreements concerning an alternative reference rate ("tough legacy").

Implementation of the IBOR reform by Vontobel

A Group-wide project team will ensure the timely implementation of the IBOR reform across all areas of Vontobel. The status of the implementation process for the most significant IBOR exposures is shown below:

- LIBOR mortgages in CHF: Vontobel has, for several months, only been offering variable rate SARON mortgages. The changeover to SARON has already been arranged or completed for more than 95 percent of LIBOR mortgages. For the remaining LIBOR mortgages, Vontobel is committed to finding an appropriate solution together with clients (renegotiation, replacement, termination, etc.) before LIBOR cessation.
- OTC derivatives: Most OTC derivatives are based on master agreements issued by the International Swaps and Derivatives Association (ISDA). Due to the IBOR reform, the ISDA published the IBOR Fallbacks Protocol for existing LIBOR-based contracts and the IBOR Fallbacks Supplement for new LIBOR-based contracts in October 2020. The amendments to the ISDA master agreement enter into effect for all contracts operating under ISDA between two counterparties provided both parties have signed the new ISDA fallback documents. Vontobel signed the relevant documents in November 2020. The Swiss Bankers Association has adapted the Swiss master agreement for OTC derivatives accordingly. The publication of these documents means that no further obstacles stand in the way of the changeover of OTC derivatives under the ISDA and Swiss master agreements to alternative reference rates.
- Issued products: A wide range of open-end leverage products (especially factor certificates) include a LIBOR interest rate component. These products will be changed over to an alternative reference rate before LIBOR cessation.
- Floating Rate Notes (FRNs): Vontobel holds various IBOR-based FRNs from third-party issuers, whereby the respective issuers are basically responsible for the changeover to an alternative reference rate. Vontobel is proactively monitoring the corresponding developments and, if necessary, will sell FRNs before cessation of the underlying IBOR.
- Additional Tier 1 bond: Vontobel will develop a proposal for the adjustment of the terms and conditions of the bond and will submit it to the bondholder representative (Credit Suisse) in the second half of 2021.

Based on the status of the implementation work and the additional steps that have been introduced or are planned, Vontobel is convinced that where necessary, it will be possible for all IBOR-based financial instruments to be changed over to an alternative reference rate in good time.

Risks

The IBOR reform entails economic, legal, operational and other risks. In connection with the implementation of the IBOR reform, the project team is identifying, managing and monitoring the corresponding risks. Vontobel does not expect the IBOR reform to lead to changes in the risk management strategy.

Off-balance sheet business and other information

13 Off-balance sheet business

	30.06.2021 CHF M	31.12.2020 CHF M	CHANGE TO 31.12.2020 CHF M	IN %
Contingent liabilities	346.5	337.7	8.8	3
Irrevocable commitments	129.7	108.3	21.4	20
Commitments for capital increases and capital contributions	0.2	0.2	0.0	0
Fiduciary transactions	1,345.3	1,476.8	–131.5	–9
Contract volumes of derivatives	42,223.2	38,502.0	3,721.2	10

14 Litigation

In connection with the fraud committed by Bernard Madoff, the liquidators of investment vehicles that invested directly or indirectly in Madoff funds have filed lawsuits with various courts against more than 100 banks and custodians. The litigation is targeted at investors who redeemed their investments in these vehicles between 2004 and 2008. The liquidators are demanding that the investors repay the sums involved because they consider them to have been obtained unjustly as a result of the redemptions. Since the liquidators often only know the names of the investors' custodian banks, they have filed the lawsuits against them. Several legal entities of Vontobel are or may be affected directly or indirectly by the litigation in their capacity as a bank or custodian. The claims filed against Vontobel since 2010 concern the redemption of investments. The litigation amounts total around USD 44.1 million. However, based on the information currently available to it, Vontobel believes the probability of a lawsuit resulting in an outflow of funds is low and has therefore decided not to set aside any provisions for such a lawsuit, but rather to disclose the amount under contingent liabilities.

15 Client assets

Client assets

Client assets is a broader term than assets under management and comprises all bankable assets that are managed by or deposited with Vontobel, including assets that are held solely for transaction or custody purposes and for which further services are provided, as well as investment products offered by Financial Products to give private and institutional clients access to all asset classes and markets. As of July 1, 2020, assets in pooled investment vehicles (actively managed certificates, tracker certificates) are counted as assets under management if the underlying of the certificate is managed on a discretionary basis or based on a pre-defined set of rules, either by Vontobel or a third party.

Client assets

	30.06.2021 CHF B	31.12.2020 CHF B	CHANGE TO 31.12.2020 CHF B	IN %
Assets under management	244.2	219.6	24.6	11
Other advised client assets	21.7	20.4	1.3	6
Structured products and debt instruments outstanding	8.6	8.2	0.4	5
Total advised client assets	**274.5**	**248.2**	**26.3**	**11**
Custody assets	28.8	64.0	–35.2	–55
Total client assets	**303.3**	**312.2**	**–8.9**	**–3**

Assets under management

	30.06.2021 CHF B	31.12.2020 CHF B	CHANGE TO 31.12.2020 CHF B	IN %
Assets in self-managed collective investment instruments	67.0	60.6	6.4	11
Assets with management mandate	95.8	86.7	9.1	10
Other assets under management	81.3	72.4	8.9	12
Total assets under management	**244.2**	**219.6**	**24.6**	**11**
of which double counts	*7.8*	*6.7*	*1.1*	*16*

Calculated in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting rules for financial institutions and Vontobel internal guidelines.

Development of assets under management

CHF B	H1 2021	H1 2020	H2 2020
Total assets under management (incl. double counts) at the beginning of the period	219.6	198.9	193.4
Change attributable to net new money	6.6	7.4	7.4
Change attributable to market value	18.0	–12.9	16.9
Change attributable to other effects [1]			2.0
Total assets under management (incl. double counts) at the balance sheet date	**244.2**	**193.4**	**219.6**

1 H2 2020: Reclassification of strategic certificates with a discretionary or pre-defined set of rules for the management of the underlying index or portfolio (underlying asset) as assets under management as of 01.07.2020 (value as of 31.12.2020: CHF 2.6 B).

Assets under management and net inflows / outflows of new money

Assets under management are calculated and reported in accordance with the guidelines issued by the Swiss Financial Market Supervisory Authority (FINMA) concerning accounting rules for financial institutions (FINMA Circular 20 / 01). Assets under management comprise all of the assets managed or held for investment purposes of private, corporate and institutional clients. This includes all amounts due to customers in the form of savings and deposit accounts, fixed-term and fiduciary deposits and assets placed with us for investment purposes. Assets under management that are deposited with third parties are included to the extent that they are managed by a Vontobel company. Assets under management only include those assets on which Vontobel generates considerably higher income than on assets that are held solely for custody purposes or the execution of transactions. These types of custody assets are reported separately. Assets that are counted more than once, i. e. in several categories of assets under management that are to be disclosed, are shown under double counts. They primarily include shares in self-managed collective investment instruments as well as strategic certificates (actively managed certificates, tracker certificates) in client portfolios.

Net inflows or outflows of assets under management during the reporting period consist of the acquisition of new clients, the departure of clients as well as inflows and outflows of assets from existing clients. This also includes the borrowing and the repayment of loans, as well as the distribution of collective capital investments. The calculation of the net inflow or outflow of new money is performed at the level "total assets under management". If there is a change in the service provided, resulting in the reclassification of assets under management as assets held for custody purposes or vice versa, this is recorded as an outflow of new money or an inflow of new money, respectively. Securities-related and currency-related changes in market value, interest and dividends, fee charges, loan interest paid and the impacts of acquisitions and disposals in Vontobel's subsidiaries or businesses do not constitute inflows or outflows of assets.

In the case of assets under discretionary management, the client delegates portfolio investment activities to a Vontobel company. Assets under discretionary management comprise client assets where Vontobel decides how the funds are to be invested based on a prior structured analysis of the client's risk appetite and risk capacity. The information relates to assets deposited with Group companies as well as with third parties for which Vontobel exercises a management mandate.

With assets under non-discretionary management with account and portfolio management, it is assumed that the client himself follows developments in the international capital markets and takes investment decisions. The client requires an account for the settlement of transactions and a custody account for the safekeeping of securities. The client is not actively offered advice.

Other advised client assets
Other advised client assets include the assets of clients with special relationships that cannot be reported either as assets under management or custody assets. In addition, assets in self-managed collective investment vehicles without discretionary portfolio management or without individual sales are also classed as other client assets.

16 Full acquisition of TwentyFour Asset Management LLP

In 2015, Vontobel acquired a majority stake of 60 percent in TwentyFour Asset Management LLP (24AM). The contractual agreements with the Partners of 24AM stated that Vontobel would acquire minority interests totaling 40 percent held by the Partners in two half tranches at fair market value in 2021 and 2023, whereby Vontobel had the right to already acquire the second tranche in 2021.

Vontobel recognized a liability in the amount of the estimated purchase price for the acquisition of the minority interests. Changes in the liability – with the exception of personnel expenses from share-based compensation benefiting the Partners – were charged to equity (firstly to minority interests and secondly to capital reserves). In the income statement and the statement of comprehensive income, a share of profit or loss continued to be allocated to minority interests.

On June 30, 2021, Vontobel acquired all of the remaining minority interests of 40 percent for a purchase price of GBP 226.8 million (CHF 290.2 million). The purchase was treated as an equity transaction with the minority shareholders of 24AM. Upon payment of the purchase price, the liability to acquire minority interests was derecognized.

The share-based compensation introduced when the majority stake was acquired was adjusted at the same time as the minority interests were acquired. The adjustment led, among other things, to an extension of the vesting period and a change from cash to equity settlement. The share-based compensation (including adjustments to it) resulted in a charge to personnel expenses of CHF 24.6 million in the first half of 2021.

The full acquisition of 24AM had the following impacts on shareholders' equity (in CHF million):

CHF M	
Liability to acquire minority interests as of 31.12.2020	163.6
Cash payment	–290.2
Change in shareholders' equity in the first half of 2021	**–126.6**
of which capital reserves	*–94.6*
of which retained earnings	*–24.6*
of which other components of shareholders' equity (currency translation adjustments)[1]	*–1.6*
of which minority interests[2]	*–5.9*

1 Transfer of cumulative currency translation adjustments of minority interests to the currency translation adjustments of shareholders' equity attributable to Vontobel shareholders.
2 Corresponds to the net impact in the first half of 2021 from the comprehensive income of minority interests of CHF 10.3 M and the dividend payment to minority interests of CHF 4.4 M.

See the statement of changes in equity and the table "Level 3 financial instruments" in note 11 for further information on the impacts of the full acquisition of 24AM.

17 Events after the balance sheet date

No events have occurred since the balance sheet date that affect the relevance of the information provided in the half-year 2021 financial statements and would therefore need to be disclosed.

Segment reporting

18 Segment reporting principles

Segment reporting reflects the organizational structure of Vontobel as well as internal reporting to the Executive Committee – Vontobel's chief operating decision maker – which is advised and supported by the Global Executive Board. This reporting forms the basis for the assessment of the financial performance of the segments and the allocation of resources to the segments.

Vontobel comprises four Client Units and seven Centers of Excellence (from August 2021 three Client Units, for further details see page 6).

The Client Units serve the following client groups and client needs:
- The Asset Management Client Unit focuses primarily on institutional clients such as pension funds, insurance companies and sovereign wealth funds, as well as third-party banks in the wholesale fund business.
- The Platforms & Services Client Unit focuses on external asset managers, banks and other financial intermediaries.
- The Wealth Management Client Unit serves wealthy private clients (including UHNWIs), entrepreneurs and decision makers from the SME segment.
- The Digital Investing Client Unit bundles investment solutions for private investors, either directly or via ecosystems, and it also concentrates on the end-clients business with structured products.

All activities that are not directly related to client contact are bundled within the Centers of Excellence Investments, Structured Solutions & Treasury, Technology & Services, Marketing & Analytics, Finance & Risk, Human Resources and Legal & Compliance.

Direct costs are allocated to the Client Units and Centers of Excellence. Services provided between the individual units are not subject to charges. Income taxes are managed at Group level and are therefore not assigned to the Client Units and Centers of Excellence.

The Client Units represent the operating and reportable segments according to IFRS 8. Centers of Excellence and reclassifications are shown in the column “Centers of Excellence / Reconciliation”. Segment reporting is basically subject to the same accounting principles as the consolidated financial statements.

Segment reporting

CHF M	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE / RECONCILIATION	H1 2021 TOTAL
Net interest income after credit losses	0.1	4.1	24.1	0.4	7.1	35.7
Net fee and commission income	289.0	29.8	184.8	–21.3	–35.3	447.1
Trading income and other operating income	1.5	63.0	26.1	186.4	19.8	296.9
Total operating income	**290.5**	**96.9**	**235.0**	**165.5**	**–8.3**	**779.6**
Personnel expense[1]	38.9	17.7	82.6	5.2	237.0	381.2
General expense	5.3	2.1	5.0	0.7	98.4	111.5
Depreciation of property, equipment (incl. software) and intangible assets	2.1	0.4	4.0	0.0	42.9	49.4
Provisions and losses	0.0	1.1	0.6	0.0	2.3	4.0
Total operating expense	**46.2**	**21.3**	**92.3**	**5.9**	**380.5**	**546.2**
Profit before taxes	**244.3**	**75.7**	**142.7**	**159.7**	**–388.8**	**233.4**
Taxes						41.5
Group net profit						**191.8**
of which minority interests						*10.0*
Additional information						
Client assets (CHF B)	168.8	48.9	72.7	0.7	12.2	303.3
Net new money (CHF B)	2.9	0.8	2.2	0.0	0.6	6.6
Employees (full-time equivalents)	174.8	119.1	521.9	23.3	1,231.3	2,070.4

1 Personnel expense includes income of CHF 15.5 M from changes in pension fund regulations in Switzerland, which was allocated to the individual Client Units and Centers of Excellence in proportion to their headcount. In connection with the full acquisition of TwentyFour Asset Management LLP, an expense of CHF 24.6 M is included in personnel expense in the column "Centers of Excellence / Reconciliation".

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	H1 2021 TOTAL
Operating income related to external customers	457.6	177.8	55.1	89.1		779.6
Assets	23,879.0	3,982.3	91.4	10,263.0	–4,548.9	33,666.9
Property, equipment and intangible assets	813.0	85.2	5.0	2.4		905.6
Additions to property, equipment (incl. software) and intangible assets	39.8	3.3	0.1	0.6		43.9

1 Reporting is based on operating locations
2 Mainly U.A.E.

Segment reporting

CHF M	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	H1 2020 TOTAL
Net interest income after credit losses	0.9	4.7	31.5	0.3	2.4	39.8
Net fee and commission income	246.6	39.5	166.2	0.2	–36.8	415.6
Trading income and other operating income	1.0	29.1	17.8	88.7	30.9	167.6
Total operating income	**248.5**	**73.4**	**215.5**	**89.2**	**–3.6**	**623.0**
Personnel expense	38.6	20.6	74.8	1.7	178.6	314.3
General expense	8.7	2.6	6.1	0.3	85.8	103.6
Depreciation of property, equipment (incl. software) and intangible assets	2.0	0.4	3.5	0.0	41.8	47.8
Provisions and losses	0.0	0.2	0.6	0.0	0.5	1.3
Total operating expense	**49.3**	**23.8**	**85.1**	**2.0**	**306.8**	**466.9**
Profit before taxes	**199.2**	**49.6**	**130.4**	**87.2**	**–310.4**	**156.1**
Taxes						26.9
Group net profit						**129.2**
of which minority interests						*7.5*
Additional information						
Client assets (CHF B)	134.8	76.0	57.8	0.0	11.5	280.2
Net new money (CHF B)	6.8	0.4	0.3	0.0	0.0	7.4
Employees (full-time equivalents)	168.8	127.7	511.1	12.0	1,177.4	1,997.0

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	H1 2020 TOTAL
Operating income related to external customers	364.3	155.9	47.9	54.9		623.0
Assets	20,150.6	2,763.7	83.2	10,851.6	–5,252.5	28,596.6
Property, equipment and intangible assets	823.4	77.4	7.2	3.6		911.6
Additions to property, equipment (incl. software) and intangible assets	39.0	1.4				40.4

1 Reporting is based on operating locations
2 Mainly U.A.E.

Segment reporting

CHF M	ASSET MANAGEMENT	PLATFORMS & SERVICES	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	H2 2020 TOTAL
Net interest income after credit losses	0.3	3.6	27.0	–1.1	3.4	33.2
Net fee and commission income	265.3	43.3	166.4	6.9	–61.8	420.1
Trading income and other operating income	0.6	32.1	14.6	88.4	53.5	189.2
Total operating income	**266.2**	**79.0**	**208.0**	**94.2**	**–4.9**	**642.5**
Personnel expense	40.1	17.1	83.9	3.4	181.2	325.7
General expense	7.9	2.0	5.7	1.6	79.1	96.3
Depreciation of property, equipment (incl. software) and intangible assets	2.1	0.4	3.6	0.0	44.8	50.9
Provisions and losses	0.1	0.9	0.2	0.0	3.6	4.8
Total operating expense	**50.2**	**20.4**	**93.4**	**5.0**	**308.7**	**477.7**
Profit before taxes	**216.0**	**58.6**	**114.6**	**89.2**	**–313.6**	**164.8**
Taxes						34.7
Group net profit						**130.1**
of which minority interests						*9.3*
Additional information						
Client assets (CHF B)	154.4	81.6	64.7	0.8	10.7	312.2
Net new money (CHF B)	2.7	0.7	3.5	0.1	0.3	7.3
Employees (full-time equivalents)	175.8	117.8	513.9	18.0	1,189.7	2,015.1

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	H2 2020 TOTAL
Operating income related to external customers	372.0	166.3	52.2	52.0		642.5
Assets	22,454.6	3,437.7	114.5	9,543.7	–4,128.1	31,422.4
Property, equipment and intangible assets	817.6	81.1	5.8	2.7		907.2
Additions to property, equipment (incl. software) and intangible assets	40.8	4.1	0.1	0.2		45.2

1 Reporting is based on operating locations
2 Mainly U.A.E.

Glossary of non-IFRS performance measures and abbreviations

The Executive Committee of Vontobel believes that the alternative performance indicators (non-IFRS performance indicators) contained in this document provide readers of the financial statements with valuable and more detailed information about elements of performance that the managers of these businesses can influence most directly or that are relevant when assessing Vontobel's performance. They also reflect an important aspect of the definition of operational targets and are monitored by Vontobel's management. Nevertheless, the alternative performance measures in this document are no substitute for IFRS key figures and readers should also take account of IFRS key figures.

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
Adjusted profit before taxes / adjusted pre-tax result	See table on page 20
Advised client assets	See note 15
Assets under management	See note 15
AT1	Additional Tier 1 bond
Basel III leverage ratio	See chapter "Capital and liquidity"
BIS	Bank for International Settlements
CET1	Common Equity Tier 1; see chapter "Capital and liquidity"
Client assets	See note 15
Client deposits	Due to customers
Cost / income ratio	Ratio of total operating expense (excl. provisions and losses) to total operating income
Cost of capital	Costs used for the imputed return on equity
Custody assets	See note 15
EAMs	External Asset Managers
Earnings per share	Basic earnings per share based on the weighted average number of shares
Equity ratio	Ratio of shareholders' equity to total liabilities and equity
FINMA	Swiss Financial Market Supervisory Authority
Gross margin	Ratio of total operating income to average assets under management (based on average values for individual months)

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
Liquidity coverage ratio	See chapter “Capital and liquidity”
Net new money / net inflows or outflows of new money	See note 15
Net profit	Group net profit
OTC	Over-the-counter
Other advised client assets	See note 15
Payout ratio	Proportion of Group net profit attributable to the shareholders of Vontobel Holding AG that is distributed to shareholders in the form of dividend payments
Pre-tax profit	Profit before taxes
Price / book value per share	Share price at the balance sheet date in relation to shareholders' equity per registered share outstanding
Price / earnings per share	Share price at the balance sheet date in relation to earnings per registered share outstanding at the balance sheet date
Required capital	See chapter “Capital and liquidity”
Return on equity	Annualized Group net profit as a percentage of average shareholders' equity based on monthly figures, excluding minority interests
Return on tangible equity	Annualized Group net profit as a percentage of average shareholders' equity based on monthly figures, excluding intangible assets and minority interests
Risk-weighted positions	See chapter "Capital and liquidity"
SNB	Swiss National Bank
Tax rate	Total of current and deferred income taxes in relation to profit before taxes
Tier 1 capital	See chapter “Capital and liquidity”
Tier 1 capital ratio	See chapter “Capital and liquidity”
Value at Risk	Average Value at Risk 6 months; historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Investors' information

Vontobel Holding AG registered shares

Stock exchange listing	SIX Swiss Exchange
ISIN	CH001 233 554 0
Security number	1 233 554
Par value	CHF 1.00

Ticker symbols

Bloomberg	VONN SW
Reuters	VONTZn.S
Telekurs	VONN

Vontobel Holding AG Additional Tier 1 (AT1) bond

Size	CHF 450 M
ISIN	CH041 904 256 6
Coupon	2.625%

Moody's Ratings

Bank Vontobel AG

Long-term deposit rating	Aa3
Short-term deposit rating	Prime-1
Counterparty risk rating	A2
Long-term counterparty risk assessment	A1 (cr)
Short-term counterparty risk assessment	Prime-1 (cr)

Vontobel Holding AG

Long-term rating (issuer rating)	A2
Additional Tier 1 (AT1) subordinated bonds	Baa2(hyb)

Financial calendar

November 3, 2021
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February 10, 2022
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Annual General Meeting 2022

Contacts

Investor Relations
Michèle Schnyder
Investor Relations
T +41 58 283 76 97

Francesco Sigillò
Investor Relations
T +41 58 283 75 52
investor.relations@vontobel.com

Media Relations
Peter Dietlmaier
Corporate Communications
T +41 58 283 59 30

Urs Fehr
Corporate Communications
T +41 58 283 57 90
media.relations@vontobel.com

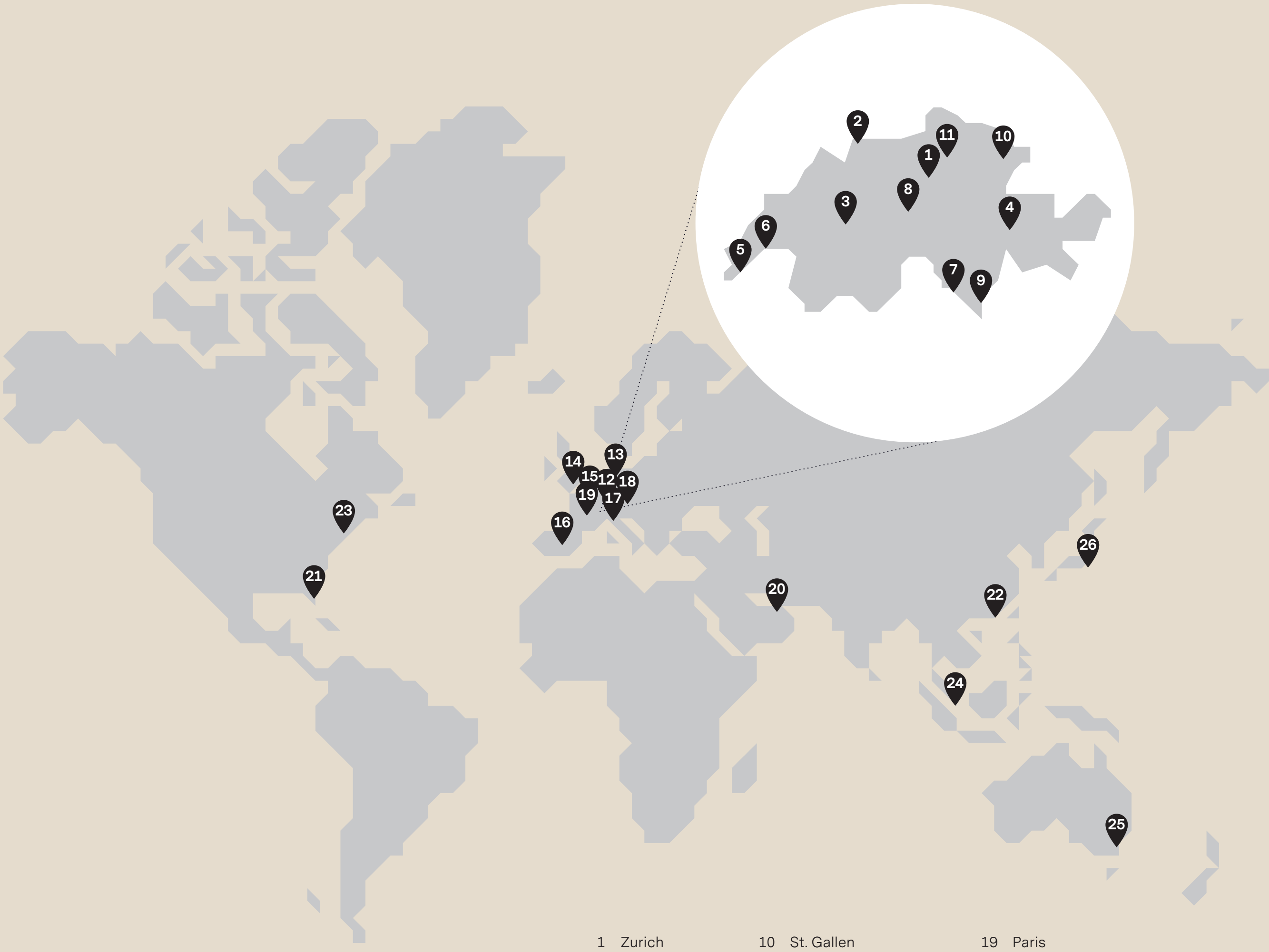
Corporate Sustainability Management
Rachel Schilirò
Corporate Sustainability Manager
T +41 58 283 62 48
sustainability@vontobel.com

Our locations

At Vontobel, we actively shape the future. We master what we do – and we only do what we master.

From Zurich, Frankfurt am Main and London over New York and Dubai to Hong Kong – throughout 26 offices, we service our clients.

Find an overview of all our offices on vontobel.com



1 Zurich
2 Basel
3 Bern
4 Chur
5 Geneva
6 Lausanne
7 Locarno
8 Lucerne
9 Lugano
10 St. Gallen
11 Winterthur
12 Frankfurt am Main
13 Hamburg
14 London
15 Luxembourg
16 Madrid
17 Milan
18 Munich
19 Paris
20 Dubai
21 Fort Lauderdale
22 Hong Kong
23 New York
24 Singapore
25 Sydney
26 Tokyo

Basel – a city full of exciting contrasts. With more than 170,000 inhabitants, it is Switzerland's third-largest city and is world renowned – not only because of its famous Carnival and its love of visual arts but especially also due to the presence of companies such as Novartis, Hoffman-La Roche and Lonza, which make it a leading center for international life sciences. Located at the point where the borders of France, Germany and Switzerland meet, Basel counts as one of the country's traditional financial centers and is also home to the Bank for International Settlements (BIS). For decades, Vontobel has served its private clients as well as financial intermediaries in the region directly from its Basel branch – offering them its investment expertise and services. Basel is one of the centers of growth in Vontobel's Swiss home market, as is also highlighted by its acquisition of Notenstein La Roche Privatbank AG several years ago and the subsequent expansion of its Basel branch.

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Vontobel Holding AG
Gotthardstrasse 43
8022 Zurich

vontobel.com