

Vontobel delivers a satisfactory result for the first half of 2022

- **First-half result for 2022 is below record result for 2021 but better than 2020**
- **Strong return on equity of 14.6 percent**
- **Pre-tax profit of CHF 180.4 million for first half of 2022, compared to CHF 233.4 million in record prior-year period**
- **Operating income of CHF 686.1 million (CHF 779.6 million)**
- **Pleasing performance in Wealth Management in particular, given the market environment**
- **Operating income reached CHF 320.2 million in Wealth Management after six months (CHF 323.4 million)**
- **After a record year in 2021, operating income in Digital Investing stabilized at a robust level of CHF 120.9 million (CHF 165.5 million)**
- **Change of business mix reflected in Asset Management operating income of CHF 247.1 million (CHF 290.5 million)**
- **Vontobel manages costs systematically and with a long-term view to maintain strategic flexibility**
- **Cost/income ratio of 72.8 percent, close to Vontobel's mid-term target of below 72 percent**
- **Adverse markets negatively impacted assets under management of CHF 208.6 billion, compared to CHF 243.7 billion at end-2021**
- **Cautious Wealth Management clients, with CHF 3 billion of net new money**
- **Institutional investors reduce risks primarily in actively managed assets and defer new reinvestments to the future**
- **Overall growth in net new money of -0.8 percent**
- **CET1 capital ratio rose to 18.5 percent (end-2021: 16.6 percent)**
- **Vontobel remains confident it can achieve its ambitious mid-term targets for 2022 across the cycle**
- **Nine-month trading update and Investor Day on November 10, 2022**

In a generally difficult environment, Vontobel delivered a satisfactory performance in the first six months of 2022. Whilst below the record profit generated in the first half of 2021, as expected, it exceeded the result for the first half of 2020 – which represents the second-highest first-half result since the financial crisis. Even in difficult markets, Vontobel is thus demonstrating that the firm has a balanced business model and an appropriate risk appetite. Vontobel is pursuing a capital-light growth strategy with a conservative risk profile – in terms of both organic and inorganic growth. This paid off once again in the first half of 2022, when Vontobel achieved a strong return on equity of 14.6 percent (18.7 percent in the first half of 2021), exceeding its own ambitious target of at least 14 percent. The investment firm already stated in the spring that the acquisition of TwentyFour Asset Management in mid-2021 and the announced acquisition of UBS Swiss Financial Advisers (SFA) are expected to jointly contribute more than CHF 30 million to the annual profit after taxes for Vontobel shareholders. This will lead to a disproportionately strong increase in the return on the required regulatory capital.

The pre-tax result was once again driven by positive contributions from all areas of Vontobel. Pre-tax profit totaled CHF 180.4 million for the first half of 2022, compared to CHF 233.4 million in the prior-year period. It was therefore lower than the record results for the first half of 2021 but above the result for the same period of 2020. Profit after taxes of CHF 151.4 million was 21 percent below the record result for the prior-year period. Vontobel generated operating income of CHF 686.1 million in the first half of 2022, compared to CHF 779.6 million in the prior-year period. In view of the operating environment, Vontobel achieved a pleasing performance in the business with private clients in particular. Vontobel believes that the result demonstrates that it took the right decision to position itself as an investment partner to Wealth Management clients and to not use the lending business as a strategic growth lever. In the first six months of 2022, operating income in Wealth Management reached CHF 320.2 million (CHF 323.4 million). As already anticipated at the end of last year, the demand for leverage products among private clients in the Digital Investing business normalized at a robust level in the first six months of 2022. Vontobel has

consciously positioned itself as a provider of quality offerings for Digital Investing clients. In the first half of 2022, Vontobel generated operating income of CHF 120.9 million (CHF 165.5 million) in this business.

Satisfactory gross margins

In the business with institutional Asset Management clients – the firm's second earnings driver – Vontobel generated operating income of CHF 247.1 million in the first half of 2022, compared to CHF 290.5 million in the prior-year period. This primarily reflects a change of business mix in a new environment, as well as the absence of performance fees in the first half of the year. Overall, the margins in the business with both private and institutional clients remain satisfactory, even if they have decreased year on year. Vontobel's clear positioning as a high-conviction active asset manager that delivers high-quality products and services and has a relentless client focus contributed to this result. In the period under review, Asset Management generated a gross margin of 38 basis points (42 basis points), which represents a satisfactory result compared to its competitors. In Wealth Management, the gross margin was also satisfactory at 70 basis points, below the margin of 75 basis points recorded in the prior-year period.

Vontobel manages its costs with a long-term view and thus maintains its strategic flexibility. In the first half of the year, Vontobel once again invested in strategic projects to drive future growth.

With the acquisition of SFA that is due to be completed in the third quarter of 2022, for example, Vontobel is investing in its future growth in the US. After the closing of the transaction, SFA and Vontobel Swiss Wealth Advisors (VSWA) will be combined and are expected to become the largest Swiss-domiciled wealth manager for US clients seeking an account in Switzerland for diversification purposes.

Vontobel further expanded its offering of asset management products in the US in the first half of 2022.

In May 2022, Vontobel expanded its digital investment offering with the launch of volt by Vontobel – the first Swiss investment app for the affluent client segment that delivers private banking-level service combined with the option of personal advice. The initial response from clients shows that the investment firm is moving in the right direction with this hybrid digital offering, even if affluent clients tend to be more hesitant about new investments in the current market environment. Investments in digital channels such as volt by Vontobel mainly represent a key long-term investment in the future. In the coming years, clients across all wealth segments will consider it increasingly important to also be able to interact with relationship managers and investment experts seamlessly across digital and hybrid channels.

In the future, Vontobel will maintain its smart approach to managing costs and investments – especially in the areas of technology and new talents – in accordance with its long-term goals, while always being mindful of the market environment. In the first half of 2022, the cost/income ratio was 72.8 percent, close to the mid-term target of less than 72 percent and above the very good figure of 69.6 percent recorded in the prior-year period.

54 percent of all Vontobel funds rated by Morningstar achieve 4 or 5 star rating

Continuity without losing sight of the market environment: This describes the investment style of Vontobel's more than 300 investment experts in Switzerland, the US, the UK, Singapore, Hong Kong, Italy and Germany. These investment experts follow their convictions – also when confronted with a difficult environment – and they are always mindful of long-term investment objectives. This is also reflected by the ratings assigned to Vontobel by leading international rating agencies, with 54 percent of all Vontobel funds rated by Morningstar (weighted according to assets under management) achieving a 4 or 5 star rating.

Even if the fall in prices across all asset classes in international stock markets is also reflected by the overall performance of Vontobel investment solutions, the investment experts were once again able to generate good medium-term returns relative to the market as a whole. Especially in the current environment and in a "new world", the importance of selectivity and of quality companies will continue to grow – as demonstrated by the sustained success of the classic "Swiss mandate" in Wealth Management. Further, the fixed income products that are geared towards long-term returns, such as those offered by TwentyFour Asset Management, currently offer attractive opportunities for new investments. Although recent weeks saw declines in markets in general, and in the valuations of technology firms in particular, the more defensively positioned Quality Growth products performed better.

In the same way that generally very positive markets were reflected in the development of advised client assets in the record year 2021, the weak markets in 2022 have negatively impacted client assets. Overall, assets under management declined by 14 percent to CHF 208.6 billion in the first half of 2022 (CHF 243.7 billion at end-2021).

The reduction in assets under management was less pronounced in the case of Wealth Management clients, who continued to act very cautiously in the current market environment. In total, Vontobel manages CHF 85.7 billion of assets for Wealth Management clients, compared to CHF 95.8 billion at end-2021.

In Asset Management, which saw strong growth in prior years, assets under management decreased to CHF 118.3 billion in the first half of 2022 from CHF 142.9 billion in the prior-year period. In addition to being driven by adverse market developments across all asset classes, this decline is also attributable to the fact that institutional investors have generally reduced risks in the case of actively managed assets in particular and have deferred new reinvestments to the future.

This is also reflected by the growth in net new money. In the first half of 2022, the business with Asset Management clients recorded net outflows of CHF 4.0 billion, which were not offset by the good growth in Wealth Management, where Vontobel

grew in all mature markets. Wealth Management clients entrusted Vontobel with CHF 3.0 billion of net new money in the first half of 2022, corresponding to growth in net new money of 6.3 percent. In total, growth in net new money was -0.8 percent, below Vontobel's own target range of 4–6 percent.

Solid capital base

The CET1 capital ratio rose to 18.5 percent at the end of June 2022 (end-2021: 16.6 percent). The Tier 1 capital ratio increased to 25.5 percent as of June 30, 2022 (end-2021: 23.4 percent). Both capital ratios continue to substantially exceed the regulatory minimum requirements defined by FINMA of 7.8 percent for the CET1 capital ratio and 9.6 percent for the Tier 1 capital ratio, as well as Vontobel's own mid-term targets of a CET1 capital ratio of more than 12 percent and a total capital ratio of more than 16 percent.

Increased focus on large, established markets with significant numbers of discerning clients

“The last few months presented all investors with a major challenge. The situation in the international capital markets, where both stock markets and bond markets experience a sharp fall in prices, has only occurred four times over the last five decades. However, the first half of 2022 also shows that with our focused, client-centric business, we are well positioned for the challenges in a ‘new’ world. Despite the current environment, we remain confident that we can achieve our ambitious mid-term targets for 2022 across the cycle, even if we expect pricing pressure and difficult markets to persist in the near future,” stated Zeno Staub, CEO of Vontobel.

At an Investor Day on November 10, 2022, Vontobel will provide an update about its extended mid-term targets and its new priorities for the period to 2024, as well as the performance of the business in the first nine months of 2022. “Our absolute client focus and our investment expertise will remain at the center of all that we do, and we want to build on them to deliver an attractive performance across all investment horizons. In a changing world, we will intensify our focus on large, established markets with significant numbers of discerning clients. We can partner with those clients and leverage our global investment expertise to help them realize their goals. We will also continue to harness the power of digitization to deliver improved processes and client service and to target new client groups,” explained Zeno Staub.

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Financial calendar

9M trading update 2022 / Investor Day	November 10, 2022
Full-year results 2022	February 9, 2023
Annual General Meeting 2023	April 4, 2023

Vontobel

At Vontobel, we actively shape the future. We create and pursue opportunities with determination. We master what we do – and we only do what we master. This is how we get our clients ahead. As a globally active investment manager with Swiss roots, we specialize in wealth management, active asset management and investment solutions. We harness the power of technology to deliver a high-quality, individual client experience and to deploy our investment expertise across multiple platforms and ecosystems. We empower our employees to take ownership of their work and bring opportunities to life. We do so based on the conviction that successful investing begins with the assumption of personal responsibility. We continuously scrutinize our achievements as we strive to exceed the expectations of our clients. The registered shares of the Vontobel Holding AG are listed on the SIX Swiss Exchange. The Vontobel families' close ties to the company guarantee our entrepreneurial independence. We consider the resulting freedom as an obligation to also assume our social responsibility. As of June 30, 2022, Vontobel held CHF 256.0 billion of total client assets. Around the world and in our home market, we serve our clients from 26 locations.

Legal information

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

Ratios

	H1 2022	H1 2021	H2 2021
Return on shareholders' equity (ROE) (%) ¹	14.6	18.7	19.0
Cost/income ratio (%)	72.8	69.6	68.6
Equity ratio at balance sheet date (%)	6.0	5.8	6.4
Basel III leverage ratio at balance sheet date (%)	5.0	4.5	4.9

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

Share data

	H1 2022	H1 2021	H2 2021
Basic earnings per share (CHF) ¹	2.71	3.24	3.45
Diluted earnings per share (CHF) ¹	2.66	3.18	3.32
Equity per share outstanding at balance sheet date (CHF)	35.62	34.92	37.46
Price/book value per share	1.9	2.1	2.1
Price/earnings ² per share	12.4	11.1	11.6
Share price at balance sheet date (CHF)	67.10	72.10	79.90
High (CHF)	84.85	78.00	89.70
Low (CHF)	57.55	66.55	72.05
Market capitalization nominal capital (CHF M)	3,816.3	4,100.7	4,544.3
Market capitalization less treasury shares (CHF M)	3,741.1	4,046.0	4,413.3
Undiluted weighted average number of shares	55,765,783	56,189,656	55,555,829

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

	30.06.2022	30.06.2021	31.12.2021
CET1 capital ratio (%)	18.5	14.5	16.6
CET1 capital (CHF M)	1,186.5	1,078.4	1,100.7
Tier 1 capital ratio (%)	25.5	20.5	23.4
Tier 1 capital (CHF M)	1,635.9	1,527.2	1,549.8
Risk weighted positions (CHF M)	6,414.5	7,452.7	6,617.3

Risk ratio

CHF M	H1 2022	H1 2021	H2 2021
Average Value at Risk market risk	6.7	8.2	5.0

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

	30.06.2022	30.06.2021	31.12.2021
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3

Operating income by Client Unit/ Center of Excellence

	H1 2022 CHF M	H1 2021 CHF M	H2 2021 CHF M	CHANGE IN % TO H1 2021
Asset Management	247.1	290.5	303.6	-15
Wealth Management	320.2	323.4	310.3	-1
Digital Investing	120.9	165.5	150.4	-27
Centers of Excellence/ Reconciliation	-2.1	0.2	-8.3	

Consolidated income statement

	H1 2022 CHF M	H1 2021 CHF M	H2 2021 CHF M	CHANGE IN % TO H1 2021
Operating income	686.1	779.6	756.0	-12
Operating expense	505.7	546.2	522.2	-7
Profit before taxes	180.4	233.4	233.8	-23
Group net profit	151.4	191.8	191.9	-21
<i>of which allocated to the shareholders of Vontobel Holding AG</i>	<i>151.4</i>	<i>181.8</i>	<i>191.9</i>	<i>-17</i>
<i>of which allocated to minority interests</i>		<i>10.0</i>		<i>-100</i>

Consolidated balance sheet

	30.06.2022 CHF M	30.06.2021 CHF M	31.12.2021 CHF M	CHANGE IN % TO 31.12.2021
Total assets	32,943.0	33,666.9	32,397.9	2
Shareholders' equity (excl. minority interests)	1,986.1	1,959.4	2,068.9	-4
Loans	7,115.8	6,956.6	7,102.5	0
Customer deposits	15,207.3	14,645.9	14,793.3	3

Client assets

	30.06.2022 CHF B	30.06.2021 CHF B	31.12.2021 CHF B	CHANGE IN % TO 31.12.2021
Assets under management	208.6	244.2	243.7	-14
<i>of which under discretionary management</i>	<i>133.4</i>	<i>161.8</i>	<i>159.4</i>	<i>-16</i>
<i>of which under non-discretionary management</i>	<i>75.2</i>	<i>82.4</i>	<i>84.3</i>	<i>-11</i>
Other advised client assets	13.5	21.7	16.3	-17
Structured products and debt instruments outstanding	6.9	8.6	8.1	-15
Total advised client assets	229.0	274.5	268.1	-15
Custody assets	27.0	28.8	28.6	-6
Total client assets	256.0	303.3	296.8	-14

Net new money

	H1 2022 CHF B	H1 2021 CHF B	H2 2021 CHF B
Net new money	-1.0	6.6	1.5

Personnel (full-time equivalents)

	30.06.2022	30.06.2021	31.12.2021	CHANGE IN % TO 31.12.2021
Number of employees Switzerland	1,738.3	1,669.2	1,694.8	3
Number of employees abroad	421.5	401.2	414.5	2
Total number of employees	2,159.8	2,070.4	2,109.3	2