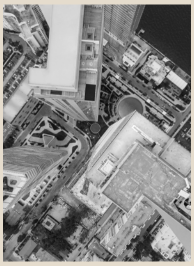
Vontobel

Annual Report 2023



Miami, a vibrant and dynamic city, holds a unique position in the global financial landscape. Known as the “Gateway to the Americas”, Miami is not only a major international trading hub but also a thriving center for finance and commerce. With its diverse culture, vibrant art scene, and stunning ocean views, Miami is the most visited city in Florida, which attracts more of America's wealthiest people than any other state. Being a bridge into South America, Miami has direct flights into every major Latin American city and offers an attractive lifestyle.

Vontobel has U.S. SEC-registered investment advisory affiliates in both the institutional and private wealth space strategically placed to tap into large potential pools of clients with a set-up that is unique and offers a convincing opportunity to drive Vontobel growth. The growing teams are headquartered in the heart of Miami, strategically located near key financial institutions and iconic landmarks such as the New River, and are committed to providing exceptional and innovative service to clients in the Americas.

Imprint

Publishing by
Vontobel Holding AG
Gotthardstrasse 43
8022 Zurich

Concept
MetaDesign AG

Layout & implementation
Vontobel and NeidhartSchön AG

Cover Picture
Miami, USA

Credit
Getty Images
thefotostudio.ch

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COMMENTS ON THE FIGURES
The amounts shown in the numerical part of the report are rounded. The figures presented may therefore not add up precisely to the totals provided in the tables and text. Percentages and percent changes are calculated based on rounded figures displayed in the tables and text and may not precisely reflect the percentages and percent changes that would be derived from figures that are not rounded. 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 IFRS Accounting Standards (IFRS).
Details can be found in the glossary on page 271 and 272.

This report also appears in German. The German version is the binding version.

Contents

"2024 is a special year for Vontobel as it marks our company's centenary. This is the ideal time to express our thanks – both to our clients and shareholders for the trust they place in us and to our employees, whose great commitment and expertise are key to Vontobel's success. Thank you!"

Zeno Staub
CEO (until 31.12.2023)

Christel Rendu de Lint
Co-CEO (since 01.01.2024)

Georg Schubiger
Co-CEO (since 01.01.2024)

Andreas E.F. Utermann
Chairman of the Board of Directors

Shareholders' letter

Dear shareholders and clients

2023 was another year that was difficult to predict. The uncertainty around interest rates, inflation and geopolitical risks and, in particular, the fears about a global recession had a lasting impact on markets, and it was only in late 2023 that the mood brightened. This was accompanied by optimism that the end of rising interest rates and inflation might be in sight. In essence, however, 2023 marked a continuation of the trend that we had already observed in the prior year, with investors generally staying on the sidelines rather than reinvesting. This was especially the case among institutional investors. This trend was also reflected by Vontobel's solid result for 2023, which was once again driven by positive contributions from all areas – the business with wealth management and asset management clients, as well as clients who access our investment expertise primarily via our digital channels.

Like in the first six months of 2023, the Wealth Management business achieved another strong performance in our Swiss home market as well as our focus markets in the second half of the year. Adjusted for outflows due to our market focus, growth in net new money in Wealth Management was 5.7 percent and was therefore within our own target range of 4 to 6 percent. Excluding these effects, Wealth Management recorded CHF 3.2 billion of net new money (2022: CHF 5.4 billion), corresponding to growth of 3.5 percent.

The business with asset management clients recorded negative net new money of CHF 7.6 billion or growth of –7.1 percent. This was primarily due to weak inflows of assets, reflecting the cautious behavior of institutional investors. Vontobel was unable to escape the general trend visible among active high-conviction asset managers. Even though we saw growing interest in investments in US equities and in our impact investment solutions last year, the resulting inflows were unable to compensate for the lack of interest in emerging markets. Demand for our fixed income solutions also declined on the back of uncertainty around interest rates. Instead, institutional investors favored money market products or held their funds in cash.

Overall, growth in net new money was –1.7 percent, compared to –2.1 percent in 2022. Adjusted growth in net new money was –0.7 percent.

The market recovery seen primarily in the final quarter of 2023 also impacted the volume of assets under management. At CHF 206.8 billion, they were 1 percent above the figure for the end of 2022 (CHF 204.4 billion). In the business with wealth management clients, assets under management rose by 5 percent to CHF 97.4 billion due primarily to the good inflow of net new money; this compared to assets under management of CHF 92.6 billion at the end of 2022. In Asset Management, the improvement in market sentiment was unable to compensate for negative net new money. During the reporting year, assets under management therefore decreased by 4 percent to CHF 103.3 billion compared to the end of 2022 (CHF 107.2 billion).

Operating income increased by 2 percent to CHF 1304.6 million compared to the previous year (CHF 1285.1 million). Operating income in Wealth Management rose by 16 percent to CHF 746.9 million in 2023 (2022: CHF 645.8 million). This also reflects the positive effects of higher interest rates, while the weakness of the US dollar, which depreciated by 9 percent against the Swiss franc during the last financial year, had a strong adverse impact on the result. The Asset Management business contributed CHF 384.1 million to operating income, compared to CHF 456.6 million in the previous year. Digital Investing – the business with clients who primarily use our digital channels – contributed CHF 154.3 million to operating income, compared to CHF 185.7 million in 2022. The demand for structured investment solutions decreased further in 2023. Despite the general weakening of the market for structured investment solutions, Vontobel defended its strong position.

Like in previous years – and despite its special focus on costs – Vontobel will continue to follow the principle of seizing long-term opportunities for growth that entail potential one-off costs, provided these opportunities contribute to the realization of our strategic priorities and consequently to the Lighthouse Ambition 2030. In 2023, Vontobel therefore hired almost 60 wealth management experts from hundreds of interested professionals, thus growing its team of relationship managers by around 10 percent. Around 40 of these new hires have already started working for Vontobel. We expect to see the first positive effects on the Wealth Management business at the end of 2024 or in the course of 2025.

The costs of these new hires were already reflected in the cost/income ratio for the last financial year. The cost/income ratio also includes costs-to-achieve of several million Swiss francs resulting from efforts to sharpen the focus of the business portfolio. In 2023, Vontobel took steps to contain costs in view of deteriorating market conditions and set itself the goal of aligning its business portfolio even more closely with the Lighthouse Ambition. This goal was fully achieved, with a reduction of CHF 65 million in gross costs. Overall, the cost/income ratio at the end of 2023 of 79.5 percent was higher than at the end of 2022 (78.4 percent). In the medium term, Vontobel is targeting a cost/income ratio of less than 72 percent.

Pre-tax profit for 2023 totaled CHF 262.7 million, compared to CHF 267.4 million in the previous year, and was thus slightly below the result for 2022. Profit after taxes of CHF 214.7 million was 7 percent below the result for the previous year.

Vontobel has a low-risk, conservative business model. It is not active in the corporate clients business or in investment banking. Vontobel also follows a very conservative approach in its lending business: In principle, it only provides financing for owner-occupied real estate in Switzerland, for example, with mortgages being fully secured against collateral. Vontobel places a geographical focus on highly developed markets with sophisticated clients who want to benefit from our specialized global investment expertise. Over the long term, we want to impress stakeholders with our ambitious objectives, and we do not seek to generate short-term profits by taking on high levels of risk. Our ambition is also reflected by the target that we have set ourselves of generating a return on equity of at least 14 percent across the cycle. In 2023, Vontobel was below that target with a return on equity of 10.5 percent (2022: 11.2 percent).

Vontobel has a very solid capital position, which continues to significantly exceed our capital targets of a CET1 ratio of more than 12 percent and a total capital ratio more than 16 percent. At the end of 2023, the CET1 capital ratio was 18.7 percent (31.12.2022: 16.7 percent). The Tier 1 capital ratio was unchanged at 23.8 percent. On September 29, 2023, Vontobel successfully placed new Additional Tier 1 bonds (AT1 bonds) with a total nominal value of USD 400 million in two tranches of USD 200 million each with funds managed by Apollo Global Management. The outstanding CHF 450 million AT1 bond (ISIN CH0419042566) issued in 2018 was redeemed at the end of October 2023.

The placement of the new AT1 bonds in the current environment underscores confidence in Vontobel as a long-term partner and reinforces its already strong balance sheet. In 2023, the trust that our investors and clients expressed in our business model as a globally active investment firm once again confirmed the validity of our Lighthouse Ambition 2030: By 2030, Vontobel will be known as one the leading and most trusted global investment firms in all its markets.

Vontobel hat set itself four priorities for the current sprint from 2023 to 2024 as it works towards its long-term goal:

1. Delivering future-proof investment solutions
2. Delivering best-in-class private client experiences
3. Accelerating our US growth
4. Scaling value creation

In the last financial year, Vontobel made progress against all four of these priorities:

In late summer 2023, Vontobel reached its first cooperation agreement with an international private markets expert to enable selected wealth management clients to make long-term investments in the asset class private markets through a multi strategy fund (priority 1). Vontobel is working with Portfolio Advisors, LLC – a global private asset manager that specializes in the US middle market and offers a range of investment programs in the areas of private equity, private credit and private real estate assets. In addition, Vontobel has expanded its product offering for US investors with an SEC-registered 40-Act mutual fund. The Vontobel Fund – Global Environmental Change (ENVRX) invests in companies that are leaders in clean technology and are poised to benefit from the global trend toward more sustainable urbanization and industrialization (priority 1). The Vontobel Fund Global Environmental Change, which has been assigned a five-star rating by Morningstar and thus ranks as one of the largest clean energy/tech funds in Europe, also contributes to priority 1. Based on its performance, it is at the upper end of the first quartile over a five-, three- and one-year horizon among this category of funds. The around 60 new employees in the client-facing area of Wealth Management mentioned above will help us to deliver best-in-class client experiences to even more private clients (priority 2). In addition, Vontobel has further evolved derinet, its successful platform for structured products, to deliver best-in-class client experiences: Vontobel Markets was launched in our Swiss home market and in all other European markets (priorities 2 and 4) in 2023.

In April 2023, the legal merger of the two Switzerland-based Vontobel entities serving US clients closed successfully, (priority 3), marking another important step in the delivery of our growth strategy in North America. Vontobel's decision to take full control of the distribution channels for asset management products in the US will also contribute to the realization of this goal (priority 3). Vontobel previously worked with a distribution partner in this market. Finally, with the placement of the new AT1 bonds, Vontobel has successfully optimized its long-term financing (priority 4).

Proposal of a stable dividend
Vontobel's strong balance sheet – the result of our capital-light business model – means that we can once again enable shareholders to participate in the success of our business this year through the distribution of an attractive dividend. The Board of Directors will propose an unchanged dividend of CHF 3.00 per share to the General Meeting of April 9, 2024. Based on the closing price of the Vontobel share of CHF 54.50 at the end of 2023, this represents an attractive dividend yield of 5.5 percent.

Like the prior year, 2024 will not be an easy year for investors. Geopolitical risks are more likely to increase than to diminish. Key elections in the US and in some European counties will also have an impact on market sentiment. A paradigm shift within the economic environment is not yet in sight. Fears of a global recession persist, even if inflation risks and interest rate pressures are declining. The climate of uncertainty is set to continue. Institutional investors, in particular, will tend to stay on the sidelines until a clearer picture emerges about how the situation will develop. At the same time, competition and the pressure on margins are expected to intensify.

Vontobel will respond to this trend with its clear focus. As a highly specialized active investment firm that focuses on serving private and institutional clients in selected marktes, we are well positioned to do so. Past experience has shown that as a specialist, we are able to secure appropriate prices for our products and services and that we have sufficient scope to generate further profitable growth without having to surrender our conservative risk profile. In 2024, Vontobel will continue to seize opportunities for growth while closely monitoring costs.

Under its new leadership with Christel Rendu de Lint and Georg Schubiger, Vontobel will continue to challenge itself and make operational adjustments in order to deliver even better client service with the ultimate goal of becoming better every day – including as a team. Vontobel is committed to achieving its Lighthouse Ambition 2030. In fall 2024, Vontobel will define and communicate its goals and priorities for the next sprint from 2025 to 2026.

2024 is a special year for Vontobel as it marks our company's centenary. This is the ideal time to express our thanks – both to our clients and shareholders for the trust they place in us and to our employees, whose great commitment and expertise are key to Vontobel's success. Thank you!

Andreas E.F. Utermann
Chairman of the Board
of Directors

Dr. Zeno Staub
Chief Executive Officer
(until 31.12.2023)

Continuity in a period of change

After 22 years at Vontobel, including 20 years as a member of the Executive Committee and 12 years as CEO, Zeno Staub informed the Board of Directors in spring 2023 of his wish to step down from his role at the next General Meeting of Shareholders on April 9, 2024, in order to become more actively involved in Swiss civil society. Under Zeno Staub's leadership, Vontobel has successfully developed into a leading, focused Swiss investment firm that is at its clients' side, offering them its global investment expertise. Vontobel is committed to its capital-light, risk-conscious growth policy that is focused on achieving long-term success. This is also underscored by the following figures: When Zeno Staub presented his first set of annual financial results as CFO, Vontobel had CHF 47.1 billion of assets under management. This figure rose to CHF 82.2 billion in 2011 and reached CHF 206.8 billion at the end of 2023. The trust that clients place in Vontobel is also reflected by its financial strength. Over the same period, its capital base increased from just under CHF 939 million to more than CHF 1,497 million in 2011 and CHF 2,092 million at the end of 2023.

Christel Rendu de Lint and Georg Schubiger took over the management of Vontobel as Co CEOs, effective January 1, 2024. In appointing Georg Schubiger and Christel Rendu de Lint, the Board of Directors decided on a leadership structure that is fully in line with the profile that formed the basis for the succession process involving both internal and external candidates. Georg Schubiger and Christel Rendu de Lint are both committed to Vontobel's focused strategy as a globally active investment firm with strong Swiss roots and to its Lighthouse Ambition 2030. In recent years, Christel Rendu de Lint and Georg Schubiger have been involved at key points in the implementation of the strategy and the Lighthouse Ambition 2030. They don't need to spend time learning about Vontobel. They know its clients and their expectations, and they know its employees from their daily work. In terms of their credentials, Georg Schubiger and Christel Rendu de Lint are seasoned professionals with many years of investment expertise, international client and market experience, and Swissness. During their careers, they have both demonstrated Vontobel's values and have assumed responsibility. And finally, they both demonstrate a collaborative style of leadership.

Georg Schubiger and Christel Rendu de Lint emphasized from the outset that Vontobel will continue to develop in the future to become better each day for the benefit of its clients and investors. There is no need to revamp Vontobel's strategy as the company is fundamentally well positioned.

The concept of continuity during a period of change also applies to the leadership of Technology & Services. Markus Pfister, Head Structured Solutions & Treasury (SS&T) and a Member of the Executive Committee of Bank Vontobel AG since 2020, succeeded Felix Lenhard as COO and Head Technology & Services, effective January 1, 2024. In his new function, Markus Pfister has additionally become a Member of the Executive Committee of Vontobel Holding AG. Felix Lenhard had a successful career at Vontobel spanning more than 22 years, including 13 years as COO and a Member of the Executive Committee. Under his leadership, Vontobel systematically moved ahead with its digital transformation over the last two decades, investing in growth opportunities at an early stage. In spring 2023, Felix Lenhard also informed the Board of Directors of his wish to step down from his operational role as COO at the end of 2023.

Ratios

	2023	2022	2021	2020	2019
Return on shareholders' equity (ROE) (%)[1]	10.5	11.2	18.8	13.3	14.2
Cost / income ratio (%)	79.5	78.4	69.1	74.1	75.6
Equity ratio (%)	7.2	6.6	6.4	6.0	6.9
Basel III leverage ratio (%)	5.4	5.0	4.9	4.6	5.2

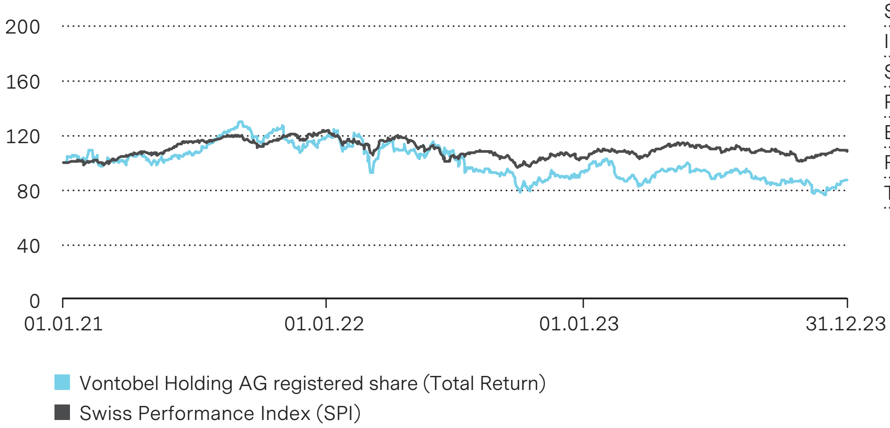
1 Group net profit as a percentage of average equity based on monthly figures, both without minority interests

Share data

	2023	2022	2021	2020	2019
Basic earnings per share (CHF)[1]	3.86	4.13	6.69	4.34	4.49
Diluted earnings per share (CHF)[1]	3.75	4.01	6.50	4.25	4.39
Equity per share outstanding at balance sheet date (CHF)	37.85	36.57	37.46	33.93	32.71
Dividend per share (CHF)[2]	3.00	3.00	3.00	2.25	2.25
Price / book value per share	1.4	1.7	2.1	2.1	2.1
Price / earnings per share	14.1	14.8	11.9	16.2	15.4
Share price at balance sheet date (CHF)	54.50	61.30	79.90	70.20	69.15
High (CHF)	67.80	84.85	89.70	74.90	69.70
Low (CHF)	47.55	50.70	66.55	36.12	49.72
Market capitalization nominal capital at balance sheet date (CHF M)	3,099.7	3,486.4	4,544.3	3,992.6	3,932.9
Market capitalization less treasury shares at balance sheet date (CHF M)	3,012.5	3,383.9	4,413.3	3,913.8	3,833.2
Undiluted weighted average number of shares	55,597,402	55,604,823	55,872,743	55,876,292	55,901,396

1 Basis: weighted average number of shares
2 Financial year 2023: As per proposal submitted to the General Meeting

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

	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
CET1 capital ratio (%)	18.7	16.7	16.6	13.8	13.5
CET1 capital (CHF M)	1,220.1	1,052.7	1,100.7	1,024.4	949.4
Tier 1 capital ratio (%)	23.8	23.8	23.4	19.8	19.9
Tier 1 capital (CHF M)	1,552.3	1,502.3	1,549.8	1,473.0	1,397.5
Risk-weighted positions (CHF M)	6,523.9	6,304.1	6,617.3	7,447.5	7,039.3

Risk ratio

CHF M	2023	2022	2021	2020	2019
Average Value at Risk market risk	8.0	7.5	6.4	9.5	6.2

Average Value at Risk 12 months for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

Rating

	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Moody's Rating Bank Vontobel AG (long-term deposit rating)	Aa3	Aa3	Aa3	Aa3	Aa3

Operating income by Client Unit / Center of Excellence

CHF M	2023	2022	2021	2020	
Asset Management	384.1	456.6	594.1	514.6	
Wealth Management	746.9	645.8	633.7	549.7	
Digital Investing	154.3	185.7	315.9	183.5	
Centers of Excellence / Reconciliation	19.2	–3.1	–8.1	17.7	

Consolidated income statement

CHF M	2023	2022	2021	2020	2019
Operating income	1,304.6	1,285.1	1,535.6	1,265.5	1,261.9
Operating expense	1,041.9	1,017.7	1,068.4	944.5	955.2
Profit before taxes	262.7	267.4	467.2	321.0	306.7
Group net profit	214.7	229.8	383.8	259.4	265.1
of which allocated to the shareholders of Vontobel Holding AG	*214.7*	*229.8*	*373.8*	*242.7*	*251.0*
of which allocated to minority interests			*10.0*	*16.8*	*14.1*

Consolidated balance sheet

CHF M	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Total assets	29,146.0	30,509.2	32,397.9	31,422.4	26,240.3
Shareholders' equity (excl. minority interests)	2,092.4	2,018.6	2,068.9	1,891.6	1,813.3
Loans	6,312.0	7,462.3	7,102.5	6,378.6	5,046.2
Customer deposits	9,951.5	13,240.9	14,793.3	14,646.5	10,506.4

Clients assets

CHF B	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Assets under management	206.8	204.4	243.7	219.6	198.9
of which under discretionary management	*122.5*	*124.6*	*159.4*	*146.9*	*130.6*
of which under non-discretionary management	*84.3*	*79.8*	*84.3*	*72.8*	*68.2*
Other advised client assets	15.5	14.5	16.3	20.4	16.5
Structured products and debt instruments outstanding	9.6	7.7	8.1	8.2	10.7
Total advised client assets	**231.9**	**226.6**	**268.1**	**248.2**	**226.1**
Custody assets	33.1	27.9	28.6	64.0	62.3
Total client assets	**264.9**	**254.6**	**296.8**	**312.2**	**288.4**

Net new money

CHF B	2023	2022	2021	2020	2019
Net new money	–3.5	–5.2	8.1	14.8	11.7

Personnel (full-time equivalents)

	31.12.2023	31.12.2022	31.12.2021	31.12.2020	31.12.2019
Number of employees Switzerland	1,869.3	1,801.1	1,694.8	1,640.5	1,636.8
Number of employees abroad	405.5	413.3	414.5	374.6	344.8
Total number of employees	**2,274.8**	**2,214.4**	**2,109.3**	**2,015.1**	**1,981.6**

Vontobel

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

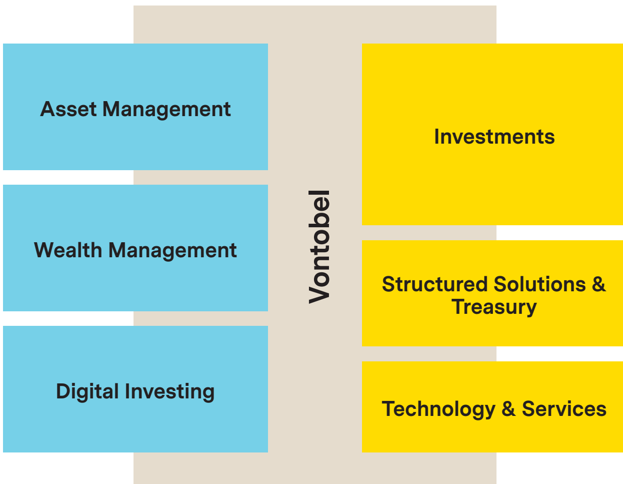
The demand for professional investment solutions and individually tailored expert investment advice is growing constantly across all client groups and sections of the population also as a means of addressing the increasing pension funding gap around the world. Geopolitical and economic uncertainties are increasing globally. The investment environment has changed and is therefore challenging and volatile.

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 is bundled within the specialized Client Units ***Asset Management, Wealth Management*** and ***Digital Investing***. 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 to serve External Asset Managers (EAMs) is integrated into Wealth Management. This allows clients with complex international asset structures to benefit from the advisory services used by institutional clients. The Wealth Management 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 offers their competencies 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 operate in these areas, placing an emphasis on client needs.

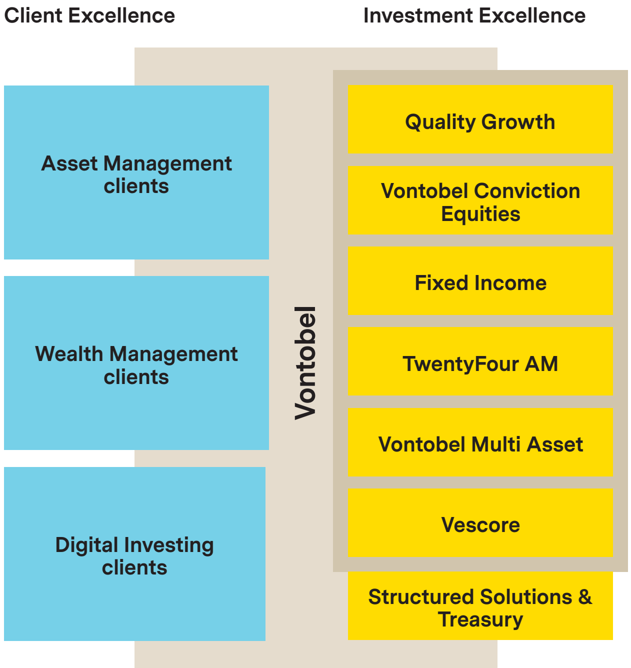
Vontobel is an investment firm that caters clients with its investment expertise. To underscore its client centricity, Vontobel will serve its clients in two segments focused on private and institutional clients. This approach aims to enable clients to take advantage of customized services and investment products. The new structure will be implemented in the first half 2024.

All of Vontobel's Client Units have full access to our excellent investment and solutions expertise within our various Centers of Excellence. These Centers allow 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. This enables us to develop 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 250 investment professionals, working in our investment hubs in Switzerland, Europe, Asia and the US, managing strategies and solutions covering equities, fixed income and multi-asset investments. 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.

In the area of Structured Solutions & Treasury, we support our clients by supplying credit and arranging private placements and loans via 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

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 heads of the client units and centers of excellence 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 our 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.

In 2024, a simplified organizational governance structure will be introduced. The new organizational set up enables supporting ownership, accountability and transparency. Going forward and under a simplified governance structure, the exchange platform of the Global Executive Board (EB) will be discontinued. Explanations of the Executive Committee (ExCo) of the Vontobel Holding AG can be found on page 30 in the Corporate Governance Report.

Global Executive Board (EB)

December 31, 2023

Zeno Staub[1,2]
CEO

Georg Schubiger[2]
Head Wealth Management

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

Marko Röder
Head Asset Management

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

Christel Rendu de Lint[1,2]
Head Investments

Caroline Knöri
Head Human Resources

Markus Pfister[2]
Head Structured Solutions & Treasury

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

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

Our Lighthouse Ambition 2030

As a long-term oriented investment firm, we have set our Lighthouse Ambition 2030: “By 2030, Vontobel will be known as one the leading and most trusted global investment firms.”

By concentrating on this shared long-term goal, we can ensure that the entire Vontobel organization is working together and moving in the same direction.

The Ambition encompasses that by 2030, Vontobel will be recognized as one of the leading and most trusted global 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.

Strategic Priorities 2023–2024

To ensure the requisite degree of agility and flexibility, the firm operates towards the clear long-term vision in two-year sprints with concrete targets and business plans.

This approach based on focused and agile rolling two-year plans, ensure that our short- and medium-term efforts firmly aligne with our long-term Lighhouse Ambition 2030.

For the Period 2023–2024 the Board of Directors and the Executive Committee defined four Strategic priorities as outlined below.

Milestones on our way towards the Vontobel Lighthouse 2030

Strategic Priorities 2023–2024

1. Delivering future proof investment solutions

New regimes
Review, diversify and enhance our offering

Private markets
Acquire capabilities to tap a large and growing segment

Transition to sustainability
Expand our ESG offering and live our principles

Protect our margins and grow NNM from existing and new asset classes and strategies

2. Delivering best-in-class private client experiences

Personalization at scale
Develop mass-customized solutions

On-demand service models
Build a unified hybrid client service model

Strict market focus
Focus efforts on a strict set of developed markets

Acquire new clients and grow share of wallet and engagement

3. Accelerating our US growth

Strong regional hub
Prudently expand our US capabilities and footprint

Strengthen partnerships and distribution
Existing and new partners

Global banks
Deepen cooperation to maximize the distribution potential

Acquire new clients seeking international diversification and expertise

4. Scaling value creation

Capital efficiency
Strengthen cost management and capital allocation processes

Operational excellence
Continuously improve systems and processes

Talent development
Retain and develop the best talent

Improve cost, capital and process efficiency

Targets

Ambitious mid-term targets

Building on these strategic priorities, the Board of Directors and the Executive Committee have extended the ambitious through-the-cycle targets for growth, profitability, capital and dividends to 2024.

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 to 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

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 CET1 capital ratio	>12%
BIS total capital ratio	>16%
Dividend	
Payout ratio	>50%

Business review

Financial markets recover in fourth quarter of 2023 – economy proves more robust than expected despite interest rate hikes and growing geopolitical tensions
2023 brought a number of surprises from an economic perspective. Despite somber forecasts, the global economy proved more robust than could have been expected, given the aggressive cycle of rate hikes. Equally surprising for many market observers was the reduction in inflation, which fell more sharply than anticipated. This mix of only slowly weakening economic data and waning inflation were the main factors buoying up higher-risk asset classes and government bonds. Although the risk appetite of investors grew only slowly, falling yields gave a boost even to precious metals. Commodities were the only asset class that experienced difficulties, driven by supply surpluses and declining geopolitical risk premiums.

Measured by the MSCI World All Countries Total Return Index, global equity markets rose by 22.2 percent in local currencies. In comparison, the performance of Swiss indices was more subdued, with the SMI up by 3.8 percent and the SPI up by 6.1 percent. In the case of fixed income securities, both government bonds (Global Government Bonds +2.2 percent, hedged in Swiss francs) and corporate bonds (Global Aggregate Corporate Bonds +4.2 percent, hedged in Swiss francs) rose slightly. The Swiss franc strengthened against the US dollar (–9.0 percent against the Swiss franc) and the euro (–5.9 percent against the Swiss franc) as well as other currencies in 2023.

Maintaining a long-term focus…
Despite the rapidly evolving operating environment, Vontobel is maintaining its long-term focus on the generation of recurring income and is consciously refraining from participating in short-term market trends, in line with its conservative risk profile. Vontobel is positioned as a client-centric investment firm that consistently leverages 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 portfolio management. The growing need to invest and the changing investment environment are creating long-term opportunities for growth that Vontobel is actively seizing. In 2020, Vontobel set itself a clear goal: Our Lighthouse Ambition states that by 2030, Vontobel wants to be recognized as one of the leading and most trusted investment firms in all its markets. In November 2022, Vontobel confirmed its strategic positioning as part of its regular strategy process and remains committed to its ambitious growth and profit targets for 2023 to 2024, irrespective of the changes in the market environment. Further information on Vontobel's strategy and mid-term targets is provided on page 12 to 17.

In 2023, in line with its long-term focus, Vontobel planned the CEO succession and continued to invest in talent with new capabilities, as well as in future technologies. We also strengthened our commitment to our focus markets.

The around 60 new employees in the client-facing area of Wealth Management will help us to offer a best-in-class client experience to even more private clients. Vontobel has also further evolved derinet, its successful platform for structured products, in order to deliver a best-in-class client experience: In 2023, Vontobel Markets was launched in our Swiss home market and in all other European markets. In April 2023, the legal merger of the two Switzerland-based Vontobel entities serving US clients closed successfully. The merger to create Vontobel Swiss Financial Advisers AG marked another important step in the execution of our growth strategy in North America. In addition, Vontobel decided to take full control of the distribution channels for asset management products in the US.

In late summer 2023, Vontobel reached its first cooperation agreement with an international private markets expert, Portfolio Advisors, LLC, to enable selected wealth management clients to make long-term investments in the asset class private markets through a multi strategy fund. In addition, Vontobel has expanded its product offering for US investors with an SEC-registered 40-Act mutual fund. The Vontobel Fund – Global Environmental Change (ENVRX) invests in companies that are leaders in clean technology and are poised to benefit from the global trend toward more sustainable urbanization and industrialization. Finally, with the placement of the new AT1 bonds, Vontobel has successfully optimized its long-term financing.

…and delivering a solid result in an uncertain market environment
The 1 percent increase in the asset base, driven by higher prices, and the normalization of client activities compared to the prior year led to a slight rise in income. Operating income totaled CHF 1,304.6 million in the reporting year, compared to CHF 1,285.1 million in 2022 (+2 percent). In view of the market environment,Vontobel delivered a solid Group net profit of CHF 214.7 million, down 7 percent from CHF 229.8 million in 2022. Pre-tax profit declined by 2 percent to CHF 262.7 million. All three Client Units once again made a positive contribution to the result.

Adjusted for one-off impacts, pre-tax profit totaled CHF 275.1 million in the reporting year, slightly (+1 percent) above the adjusted pre-tax profit of CHF 272.6 million for 2022. One-off impacts in 2023 consist of cost-to-achieve totaling CHF 12.4 million. At constant exchange rates, pre-tax profit grew by 8 percent compared to 2022.

As an investment firm with a long-term focus, Vontobel is systematically executing its mid-term strategy. It is also managing its costs with a long-term view to maintain its strategic flexibility. In 2023, Vontobel made further investments in strategic projects and growth opportunities but also implemented measures to contain costs in response to changing market conditions. By adopting a sharper focus and leaner positioning, it was able to generate additional gross cost reductions of CHF 65 million by the end of 2023. This process resulted in cost-to-achieve of CHF 12.4 million in 2023. The expansion of the team of relationship managers led to an increase in personnel expense. In the short term, there was therefore no significant decrease in the cost base during the reporting period. The cost/income ratio increased to 79.5 percent from 78.4 percent in the prior year. Adjusted for one-off operating impacts, the cost/income ratio increased from 78.0 percent to 78.5 percent. In the medium term, Vontobel is targeting a cost/income ratio of less than 72 percent.

In 2023, in a challenging environment, Vontobel generated a return on equity of 10.5 percent on its strong and stable capital base, which is below its mid-term target of 14 percent.

Vontobel's capital position is evidence of the stability and financial solidity of the company. The CET1 ratio reached 18.7 percent (end of 2022: 16.7 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, of 23.8 percent was in line with the previous year. The capital ratios continue to substantially exceed the regulatory minimum requirements, including the countercyclical buffer, defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel. Vontobel's internal targets are a CET1 capital ratio of at least 12 percent and a total capital ratio of at least 16 percent.

The Board of Directors will propose a dividend of CHF 3.00 per share – unchanged compared to the previous year – to the General Meeting of Shareholders. This attractive dividend corresponds to a payout ratio of 78 percent for 2023 (compared to 73 percent for 2022 and 45 percent for the record year 2021).

Global client base

Over the last two decades, Vontobel has successfully established itself as a global investment firm that focuses on wealth management and active asset management. In the period from 2003 to 2023, it recorded a more than fourfold fourfold increase in assets under management from CHF 47.1 billion to CHF 206.8 billion.

Today, 53 percent of assets under management originate from outside Vontobel's Swiss home market – primarily from the target markets of Germany, the UK, Italy and North America, as well as the Asia Pacific region (APAC), Latin America (LATAM), and the Middle East and Africa (MEA). However, Vontobel is also well established in its Swiss home market with a presence in 11 locations. Clients domiciled in Switzerland account for CHF 96.2 billion of assets under management. This underscores the high level of trust that clients in our home market place in Vontobel.

We will continue to pursue an active strategy to enable us to also achieve growth outside Switzerland. With our strategic positioning in our focus markets, Vontobel today has access to more than 80 percent of global wealth that requires professional investment management. In the future, in a changing world, we will place an even stronger focus than before on large, established markets.

These markets are characterized by their substantial numbers of sophisticated clients whom Vontobel can help to realize their objectives – drawing on our global investment expertise. Alongside our Swiss home market, Vontobel has defined five focus markets. They include the US, the world's largest asset and wealth management market. Another focus market is the UK, which is still the largest asset management market in the EMEA region. Other focus markets are Germany as well as Italy. In the future, Vontobel also wants to expand its activities in established markets in the Asia Pacific region – primarily Japan and Australia – as well as in selected countries in Latin America.

Client assets by client domicile as of December 31, 2023

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	**96.2**	**6.1**	**7.0**	**109.3**	**26.5**	**135.8**
Switzerland[1]	*96.2*	*6.1*	*7.0*	*109.3*	*26.5*	*135.8*
Focus markets	**91.0**	**7.4**	**2.6**	**101.0**	**6.5**	**107.5**
Germany	*18.5*	*3.3*	*2.6*	*24.4*	*0.1*	*24.5*
UK	*20.0*	*1.2*		*21.2*	*0.0*	*21.2*
Italy	*12.9*	*0.1*		*13.0*	*0.0*	*13.0*
North America	*15.7*	*0.2*		*15.9*	*0.0*	*15.9*
Focus APAC[2], LATAM, MEA	*23.9*	*2.6*		*26.5*	*6.4*	*32.9*
Other markets	**19.7**	**1.9**	**0.0**	**21.6**	**0.0**	**21.7**
Total	**206.8**	**15.5**	**9.6**	**231.9**	**33.1**	**264.9**

1 Including Liechtenstein
2 Singapore, Hong Kong SAR, Australia and Japan

Client assets increase as a result of price gains in financial markets

As a global investment firm specializing in wealth and asset management for private and institutional investors, as well as in investment solutions, Vontobel has proven investment expertise that benefits our clients in all market environments. We have around 250 investment experts who systematically follow their convictions, also in difficult environments, and they are always mindful of long-term investment objectives.

In the short term, however, the challenging market conditions in 2023 left their mark on the development of assets under management, gross margins and net new money. Vontobel's assets under management totaled CHF 206.8 billion at the end of December 2023. The increase of CHF 2.4 billion year on year was primarily attributable to positive performance effects due to price gains in equity and bond markets. In contrast, the negative overall inflow of net new money, the effects of of the decision to exit markets in connection with Vontobel's strategic focus on a strictly limited number of established markets ("market focus") and negative currency effects led to a reduction in the asset base. Vontobel reported assets under management of CHF 206.8 billion at the end of 2023, an increase of 1 percent compared to December 31, 2022, mainly driven by the recovery in prices in financial markets. The assets under management of wealth management clients, who were more active in current markets and continued to entrust new money to Vontobel, rose by 5 percent to CHF 97.4 billion compared to the end of 2022.

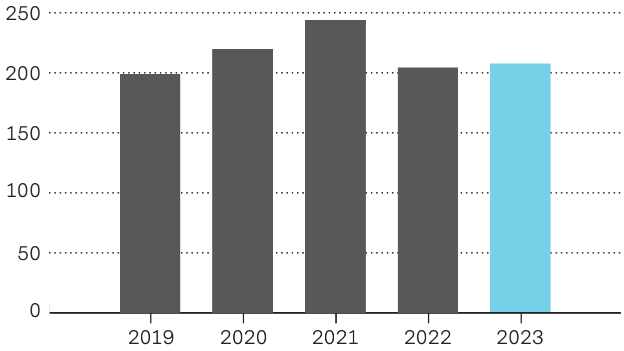
In Asset Management, assets under management decreased from CHF 107.2 billion to CHF 103.3 billion in the reporting year.

Development of assets under management

CHF B	31.12.2023	31.12.2022
Asset Management	103.3	107.2
Wealth Management	97.4	92.6
Digital Investing	0.6	0.5
Centers of Excellence / Reconciliation	5.6	4.0
Total assets under management	**206.8**	**204.4**

The CHF 2.4 billion increase in assets under management compared to the end of 2022 reflects:
- Net new money of CHF –3.5 billion *(adjusted net new money CHF –1.4 billion)*
- Positive market effects of CHF +15.3 billion
- Negative currency effects of CHF –8.2 billion
- Effects from market focus CHF –1.2 billion

Assets under management
CHF B



Assets under management consist of 50 percent institutional assets held in Asset Management and 47 percent private client assets held in the Wealth Management and Digital Investing Client Units. The Centers of Excellence and reconciliation account for 3 percent of assets under management.

Development of net new money

CHF B	2023	2022
Asset Management	-7.6	-10.6
Wealth Management	3.2	5.4
Digital Investing	0.0	-0.0
Centers of Excellence / Reconciliation	0.9	-0.0
Total net new money	**-3.5**	**-5.2**

The Wealth Management business recorded continuous inflows in our Swiss home market as well as in our focus markets again in the second half of the year. Adjusted for outflows due to our strict market focus, net new money growth in Wealth Management was 5.7 percent in 2023 and was therefore at the upper end of Vontobel's own target range of 4 to 6 percent. Excluding these effects, net new money totaled CHF 3.2 billion in Wealth Management (2022: CHF 5.4 billion), corresponding to growth of 3.5 percent.

The business with asset management clients recorded negative net new money of CHF 7.6 billion or negative growth of 7.1 percent, mainly reflecting weak inflows of assets due to the cautious behavior of institutional investors. Vontobel was unable to avoid the general trend visible among active high-conviction asset managers.

Despite the growing interest in investments in US equities and in Vontobel's impact investment solutions last year, the resulting inflows were unable to compensate for the lack of interest in emerging markets. Demand for our fixed income solutions also declined on the back of uncertainty around interest rates. Instead, institutional investors favored money market products or held their funds in cash.

Overall, growth in net new money was -1.7 percent, compared to -2.1 percent in 2022. Adjusted for market focus effects growth in net new money was -0.7 percent.

Assets under management by investment category

IN %	31.12.2023	31.12.2022
Swiss equities	18	18
Foreign equities	29	29
Bonds	33	34
Alternative investments	3	2
Liquid assets, fiduciary investments	12	13
Other[1]	5	3

1 Including structured products and debt instruments

There were no significant shifts in the structure of assets under management by investment category in the year under review. The allocation to bonds and to liquid assets and fiduciary investments declined slightly, while positions in alternative investments and other increased.

Assets under management by currency

IN %	31.12.2023	31.12.2022
CHF	35	30
EUR	20	21
USD	33	32
GBP	6	6
Other	5	12

Our investment expertise is geared towards our international client base – as shown by our broadly diversified allocation of assets under management in terms of currencies. A total of 35 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 2022, while other currencies continued to diminish in importance.

Structure of the income statement

	2023 CHF M	2023 IN %[1]	2022 CHF M	2022 IN %[1]
Net interest and dividend income	179.5	14	101.4	8
Net fee and commission income	787.3	60	833.8	65
Trading income	338.1	26	338.4	26
Other income	–0.3	–0	11.5	1
Total operating income	**1,304.6**	**100**	**1,285.1**	**100**
Personnel expense	685.0	53	655.9	51
General expense	250.9	19	258.6	20
Depreciation of property, equipment (incl. software) and intangible assets	106.0	8	103.3	8
Total operating expense	**1,041.9**	**80**	**1,017.7**	**79**
Profit before taxes	**262.7**	**20**	**267.4**	**21**
Taxes	48.0	4	37.5	3
Group net profit	**214.7**	**16**	**229.8**	**18**

1 Share of operating income

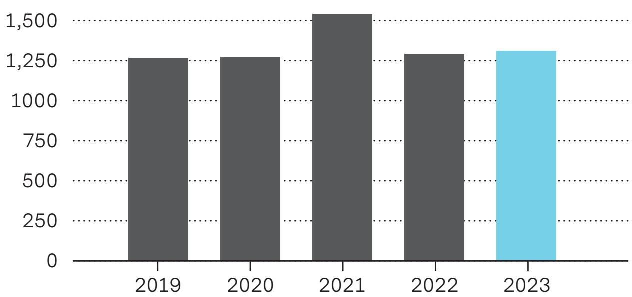
Increase in operating income reflects higher interest rates, a slight decline in commission volumes and stable trading income

In 2023, Vontobel generated a 2 percent increase in operating income to CHF 1,304.6 million compared to the previous year (2022: CHF 1,285.1 million). As a globally active investment firm, Vontobel generated 60 percent (2022: 65 percent) of its operating income from the commission business. Net interest income and dividend income accounted for 14 percent (2022: 8 percent) of operating income, and trading income contributed 26 percent, in line with the previous year.

Net fee and commission income declined by 6 percent to CHF 787.3 million compared to 2022. This was primarily due to the reduction in assets under management of an average of 5 percent, which led to lower advisory and management fees of CHF 781.6 million, compared to CHF 868.3 million in the prior year, while administration and custody fees declined by 6 percent to CHF 196.3 million. Brokerage fees – also part of net fee and commission income – decreased by 11 percent to CHF 71.4 million compared to the prior year.

The cautious behavior of investors over long periods of the year is also reflected by trading income of CHF 338.1 million, in line with the previous year (CHF 338.4 million). 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", as stated in note 3 on page 185. In the reporting year, these activities contributed CHF 274.2 million (–9 percent versus 2022) to trading income. It was, however, possible to grow income from forex and precious metals trading by 66 percent to CHF 64.0 million.

Operating income
CHF M



The overall rise in interest rates and efforts to further optimize the management of the bank's balance sheet by Treasury, while maintaining a conservative risk profile, led to a 77 percent increase in net interest and dividend income to CHF 179.5 million.

Other income declined from CHF 11.5 million to CHF –0.3 million due primarily to the absence of the sale of shares in participations as well as a slightly negative contribution from the sale of interest rate instruments in financial investments.

55 percent of our income is generated in foreign currencies, with a large proportion in US dollars, which depreciated by an average of 5 percent against the Swiss franc compared to 2022. The euro (–3 percent) and the British pound (–5 percent) also weakened against the Swiss franc over the same period. At constant exchange rates, operating income was 4 percent higher than in 2022.

Broad-based business model proves effective once again

Operating income in Wealth Management totaled CHF 746.9 million, an increase of 16 percent compared to the prior year. This increase was mainly attributable to the growing contribution from net interest and dividend income (+75 percent). However, an increase of 5 percent in net fee and commission income was also recorded. Vontobel has made targeted investments in the expansion of its wealth management offering and in key growth initiatives in recent years, including significantly increasing its team of relationship managers in 2023. In Wealth Management, the gross margin was 78 basis points, up from 71 basis points in the prior year.

In the business with asset management clients – Vontobel's second earnings driver – we generated operating income of CHF 384.1 million, compared to CHF 456.6 million in the prior year. This mainly reflects lower assets under management, as well as the fact that performance fees were largely absent. Asset Management achieved a gross margin of 36 basis points in the year under review (2022: 37 basis points).

Digital Investing was affected by further decrease in the demand for structured investment solutions in 2023. In a generally restrained market for structured investment solutions, Vontobel defended its strong position. Vontobel's total operating income was CHF 154.3 million in 2023 (2022: CHF 185.7 million).

cosmofunding allows for the digitization of the lending value chain. With a traded volume of CHF 10.9 billion, cosmofunding achieved growth of 12 percent year on year (2022: CHF 9.7 billion). In total, cosmofunding has issued around CHF 33.9 billion in private placements and loans since its launch in October 2018.

The new AT1 bonds with a total nominal value of USD 400 million issued by Vontobel in September 2023 were placed with cosmofunding as the intermediary.

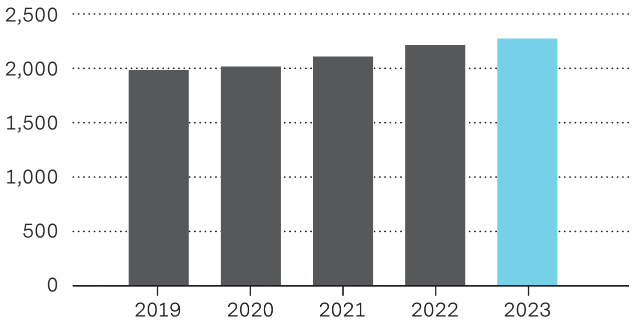
Operating income by Client Unit / Center of Excellence

CHF M	2023	2022
Asset Management	384.1	456.6
Wealth Management	746.9	645.8
Digital Investing	154.3	185.7
Centers of Excellence / Reconciliation	19.2	–3.1

Development of operating expense reflects cost measures on the one hand and strategic expansion measures on the other

Vontobel is systematically pursuing its mid-term growth strategy without losing sight of costs. We take a smart approach to managing costs and investments – especially in the areas of technology and talents – in accordance with our goals, while always considering the market environment. In 2023, Vontobel continued to invest in strategic projects while taking measures to contain costs in view of changing market conditions. As a result, gross cost reductions of CHF 65 million were achieved by the end of 2023, as planned. However, Vontobel recorded a short-term rise in operating expense to CHF 1,041.9 million, up 2 percent year on year. This increase was attributable to higher personnel expense of CHF 685.0 million, up 4 percent compared to 2022, primarily driven by the strategic increase in the number of employees in client-facing areas in Wealth Management. Average head-count (full-time equivalents) grew by 2 percent compared to the previous year.

Headcount
full-time equivalents



While personnel expense increased, general expense decreased by 3 percent to CHF 250.9 million (2022: CHF 258.6 million), mainly reflecting lower provisions and declining expenses related to the issuance of derivatives. Depreciation of property, equipment and intangible assets rose by 3 percent to CHF 106.0 million, as planned.

The cost/income ratio was 79.5 percent in 2023 and was therefore above Vontobel's own mid-term target of less than 72 percent, as well as the figure for the prior year (2022: 78.4 percent).

Slight reduction in pre-tax profit

Pre-tax profit decreased by 2 percent to CHF 262.7 million compared to the prior year. Cost-to-achieve of CHF 12.4 million were recognized in 2023 in connection with measures to lower gross costs by CHF 65 million. In the previous year, one-off impacts due to the consolidation of UBS Swiss Financial Advisers AG (SFA) in the amount of CHF 5.2 million impacted the result. Adjusted pre-tax profit was CHF 275.1 million in 2023, up 1 percent compared to the adjusted pre-tax result for 2022.

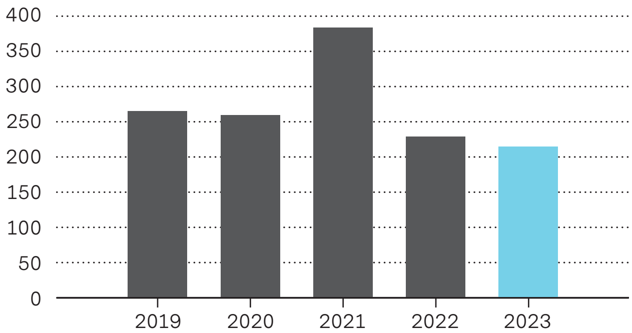
Reconciliation of reported to adjusted profit before taxes

CHF M	2023	2022
Profit before taxes	**262.7**	**267.4**
Cost-to-achieve	12.4	
Integration costs SFA		5.2
Profit before taxes on an adjusted basis	**275.1**	**272.6**

Tax expense rose by 28 percent. This increase was primarily attributable to differences in the development of profits at individual Group companies. The tax rate of 18.3 percent was therefore higher than in the prior year (14.0 percent).

This resulted in a 7 percent reduction in Group net profit to CHF 214.7 million in 2023 (2022: CHF 229.8 million) and earnings per share decreased by 7 percent to CHF 3.86 (2022: CHF 4.13).

Group net profit
CHF M



Given Vontobel's solid capital position, the Board of Directors will once again propose a dividend of CHF 3.00 per share – unchanged compared to the prior year – to the General Meeting of Shareholders. This corresponds to a payout ratio of 78 percent (2022: 73 percent; 2021: 45 percent).

Vontobel pursues a capital-light growth strategy with a conservative risk profile – in terms of both organic and inorganic growth. In a challenging environment in 2023, Vontobel generated a return on equity of 10.5 percent on its strong capital base (2022: 11.2 percent). The return on tangible equity was 14.8 percent (2022: 15.5 percent) and the return on CET1 capital was 18.7 percent (2022: 20.4 percent).

Negative currency movements

Changes in the value of the Swiss franc have a structural impact on Vontobel, given its positioning as an investment firm with an international client base and strong roots in its Swiss home market. In 2023, the net impact of currency effects on income and costs reported in Swiss francs was negative.

Based on constant exchange rates, pre-tax profit was CHF 288.0 million (reported pre-tax profit for 2023: CHF 262.7 million). The US dollar depreciated against the Swiss franc by an average of 5 percent, while the euro weakened against the Swiss franc by an average of 3 percent. 45 percent of income is generated in Swiss francs, followed by 27 percent in US dollars and 17 percent in euros. On the cost side, the Swiss franc is the dominant currency, accounting for 78 percent of expenses, while the euro accounted for 8 percent and the US dollar for 7 percent of expenses.

Structure of income statement by currency

IN %	2023	2022
Operating income		
CHF	45	40
EUR	17	16
USD	27	30
GBP	7	9
Other	5	5
Operating expense		
CHF	78	76
EUR	8	9
USD	7	8
GBP	4	3
Other	3	3

Conservative risk management and continued comfortable capital position

Vontobel remains committed to a conservative risk management approach. At CHF 8.0 million, the average Value at Risk in 2023 was only slightly higher than the figure for 2022 (CHF 7.5 million). This increase was primarily due to higher Value at Risk in the “Interest rates” category, including credit spreads, due to the changed interest rate environment.

Value at Risk (VaR)

CHF M	2023	2022
Equities	3.5	4.8
Interest rates	11.4	8.9
Currencies	0.9	1.6
Commodities	0.3	0.4
Diversification effect	–8.1	–8.2
Total	**8.0**	**7.5**

Average Value at Risk (12 months) for positions of Vontobel. Historical simulation of Value at Risk; 99% confidence level; 1-day holding period; 4-year historical observation period

The CET1 capital ratio increased to 18.7 percent at the end of 2023 (end of 2022: 16.7 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, remained unchanged at 23.8 percent. The capital ratios continue to substantially exceed the regulatory minimum requirements, including the countercyclical buffer defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel.

Vontobel’s very solid capital position is also reflected by the equity ratio of 7.2 percent and a leverage ratio under Basel III of 5.4 percent. Shareholders’ equity was CHF 2.1 billion, up by 4 percent compared to the end of 2022. Furthermore, Vontobel’s balance sheet is highly liquid, with a liquidity coverage ratio averaging 208.5 percent in the second half of 2023.

At the end of 2023, risk-weighted positions totaled CHF 6,523.9 million, up 3 percent from the end of 2022. Positions for operational risk increased decreased slightly (by 1 percent), while positions for credit risks rose by 14 percent due to the general price gains in crypto currencies. There was a decrease in risk-weighted positions for market risk of 3 percent year on year due to lower trading activities.

Of total risk-weighted positions of CHF 6,523.9 million at the end of 2023 (December 31, 2022: CHF 6,304.1 million), 36 percent related to credit risks, 19 percent to market risks and 39 percent to operational risks.

Risk-weighted positions

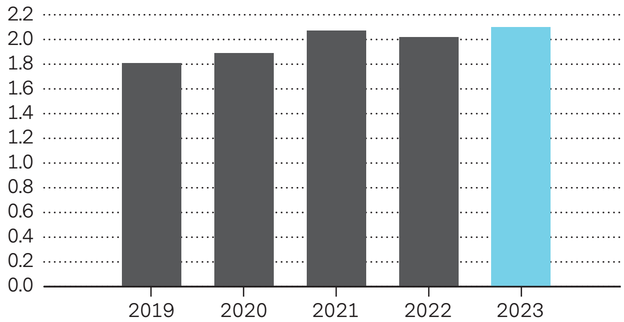
CHF M	31.12.2023	31.12.2022
Credit risks	2,344.5	2,058.3
Non-counterparty related risks	366.3	383.9
Market risks	1,245.6	1,280.0
Operational risks	2,567.6	2,581.8
Total	**6,523.9**	**6,304.1**

Consolidated balance sheet reflects new interest rate environment

Total assets decreased by 4 percent to CHF 29.1 billion compared to the end of 2022. In view of the changed interest rate environment, Treasury took measures on the assets side of the balance sheet and clients also positioned themselves accordingly. Loans to customers decreased by 15 percent to CHF 6.3 billion. Liquid assets and trading portfolio assets also declined, while the position “Other financial assets at fair value” increased by 17 percent to CHF 9.7 billion. Due from banks also rose by 15 percent to CHF 1.8 billion.

Shareholders’ equity

CHF B



Liabilities decreased by CHF 1.4 billion from CHF 28.5 billion to CHF 27.1 billion, mainly due to lower customer deposits, which declined from CHF 13.2 billion to CHF 10.0 billion, as well as the reduction in the position “Debt issued”. The refinancing of the CHF 450 million Additional Tier 1 (AT1) bond with a coupon of 2.625 percent issued by Vontobel Holding AG in 2018, which was redeemed on October 31, 2023, enabled a reduction in the total volume of debt issued. On September 29, 2023, Vontobel Holding AG successfully placed two new Additional Tier 1 bonds (AT1 bonds) with a total nominal value of USD 400 million in two tranches of USD 200 million each with funds managed by Apollo Global Management.

In contrast, the position “Other financial liabilities at fair values” that is connected to the issuance business rose by CHF 2.1 billion to CHF 12.2 billion, and other liabilities, which include open settlement positions, rose by 21 percent to CHF 1.8 billion.

Corporate Governance

Corporate Governance

Vontobel is committed to the responsible, values-oriented management and control of the company. Corporate governance is a central factor determining the success of our business. It is an essential prerequisite to achieve our strategic business goals and create lasting value for our shareholders and all other stakeholders.

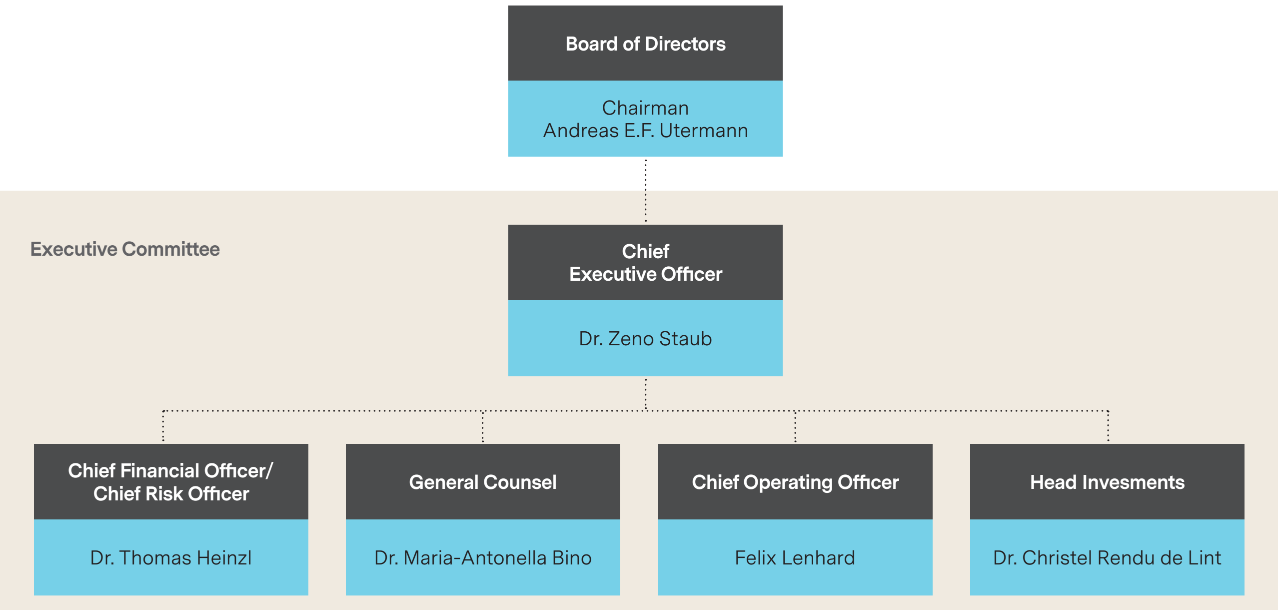
The core elements of our corporate governance are:
1. A clearly defined, balanced division of responsibilities between the Board of Directors and the Executive Committee;
2. The protection of shareholder interests;
3. The provision of transparent information to the public.

The Articles of Association of Vontobel Holding AG, the Business and Organizational Regulations and the Minutes of the General Meeting of Shareholders are available on the Internet (www.vontobel.com/agm).

SIX Swiss Exchange AG issued a directive on information relating to corporate governance. The following information meets the requirements of this Directive (version of June 29, 2022, which entered into force on January 1, 2023) for the year under review and takes into account the SIX Guideline (version of January 1, 2023). If information required by the Directive is published in the Notes to the financial statements, a reference indicating the corresponding section of the Notes is given.

Group structure and shareholders

Structure of Vontobel as of December 31, 2023



The most important Group companies that are to be consolidated (scope of consolidation) are listed in the Notes to the consolidated financial statements on page 244 together with details of the company name, registered office, share capital, stock exchange listing and the interest held by the Group.

Dr. Christel Rendu de Lint has been a member of the Executive Committee since January 13, 2023. From January 13, 2023, to December 31, 2023, the Executive Committee comprised: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO/CRO), Dr. Maria-Antonella Bino (General Counsel), Felix Lenhard (COO) and Dr. Christel Rendu de Lint (Head Investments). Dr. Zeno Staub and Felix Lenhard stepped down from the Executive Committee on December 31, 2023. Effective January 1, 2024, Dr. Christel Rendu de Lint and Georg Schubiger took over the CEO role from Dr. Zeno Staub and were appointed as Co-CEOs. Effective January 1, 2024, Markus Pfister was appointed Chief Operating Officer (COO). Since January 1, 2024, the Executive Committee has consisted of Dr. Christel Rendu de Lint (Co-CEO), Georg Schubiger (Co-CEO), Dr. Thomas Heinzl (CFO/CRO), Dr. Maria-Antonella Bino (General Counsel) and Markus Pfister (COO).

Major shareholders and groups of shareholders with pooled voting rights (audited information)

	31.12.2023		31.12.2022	
	NOMINAL CHF M	SHARE IN %	NOMINAL CHF M	SHARE IN %
With voting rights on share capital of CHF 56.875 M of Vontobel Holding AG				
Advontes AG	6.1	10.6	6.1	10.6
Vontrust AG (holding company of the Vontobel family shareholders)	8.1	14.3	8.1	14.3
Vontobel Foundation	8.5	14.9	8.5	14.9
Pellegrinus Holding AG (charitable foundation Corvus)[1]	2.7	4.7	2.7	4.7
Further shares of a family member	3.6	6.3	3.6	6.3
Further shares in the extended pooling agreement				
Total voting rights on share capital	**28.9**	**50.9**	**28.9**	**50.9**

1 Usufruct including voting right held by Pellegrinus Holding AG, ownership held by Vontobel Foundation

Information on the disclosure notifications concerning significant shareholders of the company in accordance with the Swiss Financial Market Infrastructure Act can be found on the SIX Swiss Exchange AG website at: www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html.

Shareholder pooling agreement

Between August 2017 and December 6, 2022, a shareholder pool, consisting of a core pool and an extended pool of shareholders, was in place and held a combined total of 50.9 percent of votes. As of December 7, 2022, the member of the extended pool joined the core pool and the extended pool was dissolved. Only the core pool remains, and its members thus continue to hold 50.9 percent of the votes. The corresponding notification about the change made in 2022 can be found at: https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/.

The shareholder pool's members comprise: The Vontobel Foundation and Pellegrinus Holding (total of 19.6 percent of votes), the family holding company Vontrust AG (14.3 percent of votes), the family holding company Advontes AG (10.6 percent of votes) and one family member (6.3 percent of votes). The pool imposes restrictions on the transfer of shares and grants pre-emptive rights in favor of the members.

The shares bound in the pool are subject to a vote pooling requirement and votes have to be cast at the General Meeting of Shareholders of Vontobel Holding AG in accordance with the preceding resolutions of the shareholder pool. The earliest possible date for termination of the pool is the end of 2026. Vontobel Holding AG and its executives are not members of the shareholder pool.

Registered shareholders as of December 31, 2023

	NUMBER OF SHAREHOLDERS	IN %	NUMBER OF SHARES	IN %
Natural persons	7,622	94.8	13,273,876	23.3
Legal persons	421	5.2	33,110,930	58.2
Unregistered shares [1]			10,490,194	18.4
Total	**8,043**	**100.0**	**56,875,000**	**100.0**

1 Of which 1.60 million shares (2.8%) owned by Vontobel Holding AG and its subsidiaries

Cross shareholdings
No cross shareholdings exceeding 5 percent of capital or voting rights exist between Vontobel Holding AG or its subsidiaries and other corporations.

Capital structure

Capital
The share capital of Vontobel Holding AG amounted to CHF 56,875,000 as of December 31, 2023. The registered shares of Vontobel Holding AG (security no. 1 233 554, ISIN CH001 233 554 0) are listed on SIX Swiss Exchange and are included in the Swiss Performance Index SPI®. Further information on the composition of capital can be found in the Notes to the consolidated financial statements, note 25.

Conditional capital and capital band
Information on conditional capital and the capital band can be found in the Notes to the consolidated financial statements, note 25.

Changes in capital
Information on the composition of capital, changes in capital during the past two years and authorized capital is given in the Statement of equity and in the Notes to the consolidated financial statements, note 25.

For information on earlier periods, please refer to the relevant Annual Reports (2021: note 26, and 2022: note 26, see www.vontobel.com/financial-reporting).

Shares and participation certificates
The share capital of Vontobel Holding AG is divided into 56,875,000 fully paid-in registered shares with a par value of CHF 1.00 each. There are no voting rights or preference shares. Vontobel Holding AG does not have any outstanding participation certificates.

Profit-sharing certificates
Vontobel Holding AG does not have any outstanding profit-sharing certificates.

Restrictions on transferability and nominee registrations in the share register
This information is provided in the “Shareholders’ participatory rights” section on page 50.

Convertible bonds and options
There were no convertible bonds outstanding as of December 31, 2023.

In September 2023, Vontobel Holding AG issued new Additional Tier 1 bonds (AT1 bonds) in two tranches of USD 200 million each, totaling USD 400 million. The AT1 bond issued in 2018 of the amount of CHF 450 million was redeemed on the first call date on October 31, 2023. Further details can be found in note 22.

There are certain structured products and options issued by Vontobel Holding AG outstanding. No contingent capital, as defined by Art. 653 of the Swiss Code of Obligations, or capital band, as defined by Art. 653s ff. of the Swiss Code of Obligations, is available for the fulfillment of these option rights, and such option rights would be serviced by means of market transactions. Like in the previous year, no share capital of Vontobel Holding AG is covered by such structured products and options.

Board of Directors

Members of the Board of Directors as of December 31, 2023

NAME	FUNCTION	NATIONALITY	COMMITTEE MEMBERSHIP[1]	INITIAL ELECTION	TERM EXPIRES
Andreas E.F. Utermann	Chairman	British / German	NCC, IOC[2]	2021	2024
Bruno Basler	Vice-Chairman	Swiss	NCC[2]	2005	2024
Dr. Maja Baumann	Member	Swiss	RAC	2016	2024
Dr. Elisabeth Bourqui	Member	Swiss / French / Canadian	RAC, IOC	2015	2024
David Cole	Member	US / Dutch	RAC[2]	2016	2024
Dr. Michael Halbherr	Member	Swiss	NCC	2021	2024
Stefan Loacker	Member	Austrian	RAC	2018	2024
Clara C. Streit	Member	German / US	NCC	2011	2024
Björn Wettergren	Member	Swiss / Swedish	NCC, IOC	2016	2024

1 Further information on the Committees is provided below under "Internal organization"
NCC: Nomination and Compensation Committee
RAC: Risk and Audit Committee
IOC: Investment Oversight Committee
2 Chair

No member of the Board of Directors of Vontobel Holding AG exercised any operational management functions for the company or any of its subsidiaries in the year under review. Any previous executive functions are detailed below. Stefan Loacker was a member of the Board of Trustees of the Vontobel Foundation until his election as a member of the Board of Directors of Vontobel Holding AG at the General Meeting of Shareholders 2018. As of December 31, 2023, the majority of members of the Board of Directors met the independence criteria prescribed in the FINMA Circular 2017 / 1 "Corporate governance – banks" margin no. 17–22. They are: Andreas E.F. Utermann, Bruno Basler, Dr. Elisabeth Bourqui, David Cole, Dr. Michael Halbherr, Stefan Loacker and Clara C. Streit. Dr. Maja Baumann and Björn Wettergren are members of the Vontobel and de la Cour families. They are members of the governing bodies of the majority shareholders and have participations in family holding companies.

Other activities and functions
For information on other activities and functions performed by the members of the Board of Directors, refer to their curricula vitae on page 34 to 38.

Rules in the Articles of Association governing the number of permitted activities
Art. 25 of the Articles of Association of Vontobel Holding AG states that no member of the Board of Directors may perform more than nine additional mandates outside Vontobel, of which no more than four additional mandates may be performed in listed companies. Additionally, a member of the Board of Directors may perform up to ten mandates in not-for-profit or charitable legal entities outside Vontobel. The provisions set out in the applicable Business and Organizational Regulations also apply (available on the Internet at www.vontobel.com/agm).

Andreas E.F. Utermann
Chairman of the Board of Directors, Chairman of the Investment Oversight Committee and Member of the Nomination and Compensation Committee

Born 1966,
British and German citizen

Member of the Board of Directors
since 2021

Education
M.A. (Econ.), Katholieke Universiteit Leuven, Leuven, Belgium
B.A. (Econ.), London School of Economics, London, UK
ASIP, CFA Society of the UK, London, UK
Certified Banker, Deutsche Bank AG, Dortmund, Germany

Professional background
2002–2019 Allianz Global Investors Group, London, UK
- 2016–2019 CEO
- 2012–2015 Co-Head and Global CIO
- 2002–2011 Global CIO, Equities
- 2002–2011 Co-Head, Global CIO, RCM

1989–2002 Merrill Lynch Investment Manager, London, UK
Last position: Global Head and Chief Investment Officer, Equities

Mandates
- Member of the Board of Directors of SIX Group AG and SIX Exchange Group AG, Zurich, Switzerland
- Governor, Birkbeck, University of London, London, UK
- Trustee, FT Financial Literacy and Inclusion Campaign, London, UK
- Governor, North London Collegiate School, London, UK

Bruno Basler
Vice-Chairman of the Board of Directors and Chairman of the Nomination and Compensation Committee

Born 1963,
Swiss citizen

Member of the Board of Directors
since 2005

Education
Degree in Civil Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
MBA INSEAD, Fontainebleau, France

Professional background
Since 1994 EBP Schweiz AG and EBP Global AG, Zurich, Switzerland
- Since 2001 Chairman of the Board of Directors
- 1994–2001 Delegate of the Board of Directors

1992–1994 McKinsey & Company, Switzerland

1989–1991 Holinger AG, Baden, Switzerland

Mandates
- Chairman of the Board of Directors of EBP Schweiz AG and EBP Global AG, Zurich, Switzerland
- Member of the Board of Directors of NorthStar Holding AG, Roggwil, Switzerland
- Vice-Chairman of the Board of Directors of Baumann Federn AG, Rüti, Switzerland
- Chairman of the Monique Dornonville de la Cour Foundation, Zurich, Switzerland

Dr. Maja Baumann
Member of the Board of Directors and Member of the Risk and Audit Committee

Born 1977,
Swiss Citizen

Member of the Board of Directors since 2016

Education

Dr. iur., lawyer, University of Zurich, Switzerland
LL.M. in Corporate Law, New York University, USA
Certified Specialist SBA in Real Estate and Construction Law
CAS in Banking, Capital Markets and Insurance Law, University of Zurich, Switzerland

Professional background

Since 2020	SwissLegal Zurich AG and SwissLegal Schwyz AG, Zurich and Pfäffikon, Canton of Schwyz, Switzerland Partner (Corporate, Contract and Property Law)
2014–2020	REBER Rechtsanwälte, Zurich, Switzerland Partner (Corporate, Contract and Real Estate Law)
2009	Bank Vontobel AG, Zurich, Switzerland Compliance, Internal Audit, Corporate Finance
2007–2014	Lenz & Staehelin, Zurich and Geneva, Switzerland Senior Associate (Corporate, Banking, Contract and Real Estate Law)
2006–2007	Covington & Burling LLP, New York, USA Foreign Associate (Corporate and M&A)

Mandates

- Chairwoman of the Board of Directors of SwissLegal Zurich AG and SwissLegal Schwyz AG, Zurich and Pfäffikon, Canton of Schwyz, Switzerland
- Chairwoman of the Board of Directors of Advontes AG, Pfäffikon, Canton of Schwyz, Switzerland
- Member of the Board of Directors of Vontrust AG, Zurich, Switzerland
- Member of the Board of Directors of Swisspearl Group AG, Niederurnen, Switzerland
- Member of the Board of Directors of GRAPHA-Holding AG, Hergiswil, Switzerland
- Member of the Foundation Board of the Vontobel Foundation, Zurich, Switzerland
- Chairwoman of the Zoo Foundation Zurich, Zurich Switzerland

Dr. Elisabeth Bourqui
Member of the Board of Directors, Member of the Risk and Audit Committee and Member of the Investment Oversight Committee

Born 1975,
Swiss, French and Canadian citizen

Member of the Board of Directors since 2015

Education

Dr. sci. math, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland
Dipl. math, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background

Since 2019	BERG Capital Management, Lausanne, Switzerland CEO and Co-Founder
2018–2019	CalPERS, Sacramento, California, USA Chief Operating Investment Officer
2012–2018	ABB Group, Zurich, Switzerland 2014–2018 Head of Group Pension Management 2012–2014 Head Pension Asset Management
2009–2012	Mercer, Montreal, Canada, Principal Head National Funds Group Canada
2004–2009	Société Générale, New York, USA / Montreal, Canada Last position: Director Risk Management, Structuring, New Products
1998–2004	Credit Suisse Group, Zurich, Switzerland Various Risk Management functions

Mandates

- Member of the Board of Directors of Banque Cantonale Neuchateloise, Neuchatel, Switzerland
- Chairwoman of the Board of Directors of Helsana HealthInvest AG, Dübendorf, Switzerland
- Member of the Supervisory Board of Athora Netherlands N.V., Amstelveen, Netherlands
- Member of the Board of Directors of RUAG MRO Holding AG, Bern, Switzerland
- Member of the Board of Directors of compenswiss, Geneva, Switzerland
- Member of the Board of Directors of the Swiss-Japanese Chamber of Commerce, Zurich, Switzerland
- Member of the Foundation Board of Greenbrix Investment Foundation, Lucerne, Switzerland
- Member of the Board of Trustees of the Louis Jeantet Foundation, Geneva, Switzerland

David Cole
Member of the Board of Directors and Chairman of the Risk and Audit Committee

Born 1961,
US and Dutch citizen

Member of the Board of Directors since 2016

Education
Bachelor of Business Administration, University of Georgia, US
International Business Program, Nyenrode Universiteit, Netherlands

Professional background
2010–2018	Swiss Reinsurance Ltd., Zurich, Switzerland	
	2014–2018	Group Chief Financial Officer
	2010–2014	Group Chief Risk Officer
1984–2010	ABN AMRO Holding, Netherlands, US and Brazil	
	2008–2010	Chief Financial Officer Netherlands
	2008	Chief Risk Officer Netherlands
	2006–2008	Head Group Risk Management Netherlands
	1984–2006	Various functions

Mandates
- Chairman of the Supervisory Board of IMC B.V., Amsterdam, Netherlands
- Chairman of the Supervisory Board of NN Group N.V., The Hague, Netherlands
- Member of the Board of Directors of COFRA Holding AG, Zug, Switzerland

Dr. Michael Halbherr
Member of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1964,
Swiss citizen

Member of the Board of Directors since 2021

Education
Master of Electrical Engeneering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Doctor of Philosophy (Ph.D.), Electrical Engineering, Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background
Since 2023	Interim CEO of ABB E-mobility Holding AG, Baden, Switzerland
Since 2015	Investor in and advisor to young international technology companies and a Member of various Boards of Directors
2011–2014	Nokia HERE, Berlin, Germany CEO and Member of the Nokia Leadership Team
2006–2011	Nokia, Berlin, Germany Vice President and Member of the Nokia Services Leadership Team
2001–2006	gate5 AG, Berlin, Germany CEO
2000–2001	Europatweb, Group Arnault, Munich, Germany Managing Director and Member of the europatweb Leadership Team
1995–2000	The Boston Consulting Group, Boston, USA Manager and Member of the Strategic Planning Group
1991–1995	Research Associate und Post-Doctoral Student, Boston, US Computer Science and Artificial Intelligence Laboratory, MIT

Mandates
- Chairman of the Board of Directors and interim CEO of ABB E-mobility Holding AG, Baden, Switzerland
- Member of the Boards of Directors of Zurich Insurance Company Ltd. and Zurich Insurance Group Ltd., both Zurich, Switzerland
- Chairman of the Supervisory Board of German Bionic Systems, Augsburg, Germany
- Chairman of Nanoleq Ltd., Rümlang, Switzerland

Stefan Loacker
Member of the Board of Directors and Member of the Risk and Audit Committee

Born 1969,
Austrian citizen

Member of the Board of Directors since 2018

Education
lic. oec., University of St. Gallen, Switzerland
Mag. rer. soc. oec., University of Economics and Business, Vienna, Austria

Professional background

Since 2016	DELOS Management GmbH, Speicher, Switzerland Chairman and Owner
2007–2016	Helvetia Group, St. Gallen, Switzerland CEO
2005–2007	Helvetia Austria, Vienna, Austria CEO
2002–2005	ANKER Insurance AG, Vienna, Austria CFO / Chief IT Officer
2000–2002	Helvetia Patria Insurance, St. Gallen, Switzerland Head of Corporate Development
1997–2000	Helvetia Patria Insurance, St. Gallen, Switzerland Head of CEO Office / Corporate Development

Mandates
- Member of the Board of Directors of Swiss Life AG and Swiss Life Holding AG, Zurich, Switzerland
- Member of the Board of Directors of SWICA, Winterthur, Switzerland
- Member of the Executive Committee of the Institute of Insurance Economics at the University of St. Gallen, Switzerland

Clara C. Streit
Member of the Board of Directors and Member of the Nomination and Compensation Committee

Born 1968,
German and US citizen

Member of the Board of Directors since 2011

Education
lic. oec., University of St. Gallen, Switzerland

Professional background

1992–2012	McKinsey & Company	
	2003	Elected as Senior Partner Responsibilities at McKinsey included: Chair Global Principal Candidate Evaluation Committee Partner responsible for EMEA recruiting Head of Financial Institutions Practice Germany / Austria
	1998	Elected as Partner

Mandates
- Member of the Supervisory Board of Deutsche Börse AG, Frankfurt, Germany
- Chairwoman of the Supervisory Board of Vonovia SE, Bochum, Germany
- Member of the Board of Directors of Jerónimo Martins SGPA, SA, Lisbon, Portugal
- Chairwoman of the Government Commission on the German Corporate Governance Code, Frankfurt am Main, Germany

Björn Wettergren
Member of the Board of Directors, Member of the Nomination and Compensation Committee and Member of the Investment Oversight Committee

Born 1981,
Swiss and Swedish citizen

Member of the Board of Directors since 2016

Education
MBA, University of St. Gallen, Switzerland
M. Eng. Mechanical Engineering, Lund University, Sweden

Professional background

Since 2018	Mojo Capital SA, Luxembourg Growth Partner
Since 2018	Cagson Analytics AG, Zurich, Switzerland Founder
Since 2013	Cagson AG, Baar, Switzerland Founder
2012–2017	etventure, Zurich, Switzerland Associate & Partner
2007–2012	Bank Vontobel AG, Zurich, Switzerland 2010–2012 Group Services, Project Manager 2009–2011 Asset Management, Portfolio Management 2007–2009 Investment Banking, Models & Tools Developer

Mandates
- Member of the Board of Directors of Vontrust AG, Zurich, Switzerland
- Vice-Chairman of the Board of Directors of the Swedish-Swiss Chamber of Commerce, Zurich, Switzerland
- Chairman of the Board of Directors of Cagson AG, Baar, Switzerland
- Chairman of the Board of Directors of Cagson Analytics AG, Zurich, Switzerland

Election and term of office
In accordance with statutory provisions, the Chairman of the Board of Directors and all other members of the Board are elected individually by the General Meeting of Shareholders.

The Chairman of the Board of Directors and the other members of the Board are elected for one year, with their term of office ending at the conclusion of the next General Meeting of Shareholders. The members of the Board of Directors may be re-elected.

Votes are held at Ordinary General Meetings for members seeking re-election or for the election of new members. However, if the number of members of the Board of Directors falls below five as a result of death, resignation or dismissal, an Extraordinary General Meeting must be convened within a reasonable period so that replacement members can be elected. If the post of Chairman of the Board of Directors becomes vacant, the Board of Directors appoints a new Chairman for the remainder of the term of office.

The Compensation Committee, which is governed by the Articles of Association, forms part of the Nomination and Compensation Committee according to the Business and Organizational Regulations. The members of the Compensation Committee are elected by the General Meeting of Shareholders from among the members of the Board of Directors, each for a term of one year ending at the conclusion of the next General Meeting of Shareholders. The General Meeting of Shareholders elects the members of the Compensation Committee individually. They may be re-elected. If one or more individuals cease to be members of the Compensation Committee or if the Compensation Committee is not complete, the Board of Directors may make appointments to the Compensation Committee from among its own members for the period until the conclusion of the next General Meeting of Shareholders.

Except for the election of the Chairman of the Board of Directors and the election of the members of the Compensation Committee, the Board of Directors is self-constituting. The Board of Directors also appoints the Chair of the Nomination and Compensation Committee (NCC), as well as the Chair and the members of the Risk and Audit Committee (RAC), and the Investment Oversight Committee (IOC).

The Business and Organizational Regulations stipulate that members of the Board of Directors are required to step down from their function at the General Meeting of Shareholders in the calendar year in which they reach the age of 70. Further information regarding the year in which the individual members of the Board of Directors were first elected can be found in the table "Members of the Board of Directors as of December 31, 2023" on page 33.

The General Meeting of Shareholders elects the independent proxy for a term that ends at the conclusion of the next Ordinary General Meeting. The independent proxy may be re-elected. If the company does not have an independent proxy, the Board of Directors shall appoint one for the period ending at the conclusion of the next General Meeting of Shareholders.

Gender representation
Of the nine members of the Board of Directors, six are men and three are women. Each gender therefore has at least 30% representation on the Board of Directors.

Internal organization
Board of Directors
The Board of Directors appoints a Vice-Chairman from among its own members. The Chairman of the Board of Directors appoints a Secretary, who need not be a shareholder or a member of the Board of Directors. The Board of Directors meets at the invitation of its Chairman or of the Secretary, acting on behalf of the Chairman, as often as required for business purposes – generally once or twice a quarter but at least four times a year. The meetings usually last around eight hours. A total of eight meetings were held during the year under review (in February, April, June, July, two in September, October and November); this included one two-day strategy meeting. Several preparatory calls were also held. The Board of Directors regularly invites members of the Executive Committee to attend its meetings. External guest speakers are invited to attend meetings if their presence is considered helpful or essential, given the specific topics being discussed. The Board of Directors mainly consults with external advisors when determining the composition of or carrying out succession planning for the Board of Directors or the Executive Committee.

The Board of Directors shall constitute a quorum when the majority of its serving members is present. Members who participate in the meeting by telephone or video conference or by other electronic means are deemed to be present. Meetings can also be held by electronic means without a meeting place, in accordance with the Business and Organizational Regulations. A quorum is not required in order for the Board of Directors to pass a resolution on capital increase reports or for resolutions that have to be officially authenticated. Board resolutions and appointments are decided by the majority of the members present. In the event of a tied vote, the Chairman of the meeting casts the deciding vote. Resolutions may also be passed by circular letter, which may involve the use of electronic tools, provided no member calls for a verbal consultation on the matter. This procedure may only be used for routine matters, for matters that have already been discussed in detail by the Board of Directors, and for urgent issues that cannot wait until the next meeting of the Board of Directors.

The Board of Directors may delegate some of its duties to committees. In the year under review, the standing committees were: The Nomination and Compensation Committee (NCC), the Risk and Audit Committee (RAC), and the Investment Oversight Committee (IOC). Their duties and powers are defined in the Articles of Association and in internal regulations. Information on the composition of the individual committees can be found in the table “Members of the Board of Directors as of December 31, 2023” on page 33. The Chairman of each committee informs the Board of Directors about the committee’s activities at the next meeting of the Board of Directors. When necessary, ad hoc committees are formed to deal with specific topics. One ad hoc committee was established in the reporting year. It held six meetings (two meetings in February, two meetings in May, and one meeting in June and December). The members of the ad hoc committee were: Andreas E.F. Utermann, Bruno Basler, David Cole and Björn Wettergren. The ad hoc committee evaluated an M&A opportunity and presented recommendations to the Board of Directors.

Nomination and Compensation Committee (NCC)
The Business and Organizational Regulations state that the Compensation Committee, which is governed by the Articles of Association, forms part of the Nomination and Compensation Committee, which comprises at least three non-executive members.

The Nomination and Compensation Committee has the following duties and powers in respect of compensation matters relating to the Board of Directors and the Executive Committee:
(a) Developing and regularly reviewing the compensation system for the members of the Board of Directors and the Executive Committee and submitting it to the Board of Directors in order for a resolution to be passed on this matter;
(b) Monitoring compliance with the compensation principles of the company and the Group and informing the Board of Directors about the compensation policy and compensation matters;
(c) Submitting proposals to the Board of Directors for a resolution regarding the maximum aggregate compensation (fixed and performance-related compensation) of the Board of Directors and the Executive Committee and the proposal of a corresponding motion to the General Meeting of Shareholders by the Board of Directors;
(d) Submitting proposals to the Board of Directors for the motion that will be proposed to the General Meeting of Shareholders by the Board of Directors regarding amendments to compensation-related provisions in the Articles of Association;
(e) Preparing the Compensation Report and presenting it to the Board of Directors in order for a resolution to be passed on this matter;
(f) Within the framework of the requirements set out in the Articles of Association defining detailed regulations governing participation-based compensation (share participation plan), defining the applicable objectives and evaluating the achievement of those objectives;
(g) Taking note of all employee promotions at all Vontobel companies.

The Nomination and Compensation Committee also prepares all important personnel and related organizational matters for the Board of Directors. In particular, this includes the human resources strategy, share participation plans, the compensation policy, and recommendations for the appointment or removal of the CEO, the other members of the Executive Committee, or the Head of Internal Audit, as well as for the approval of the appointment of Heads of Client Units and Heads of Centers of Excellence. In addition, the Nomination and Compensation Committee determines the compensation paid to the CEO and other members of the Executive Committee (within the scope of – or subject to – the approval of aggregate compensation by the General Meeting of Shareholders as set out in the Articles of Association).

The Nomination and Compensation Committee takes note of the compensation, including any special payments and expenses, of external (non-Vontobel) members of the Boards of Directors of the subsidiaries. It also considers all management-related matters and regulations that affect aggregate compensation in a broader sense (insurance benefits, holiday entitlement, expenses, etc.).

The Executive Committee may submit proposals to the Nomination and Compensation Committee on all matters that fall within the Committee’s remit with the exception of the compensation paid to members of the Board of Directors. Meetings of the Nomination and Compensation Committee are also attended by the Chief Executive Officer (CEO) and occasionally also by the Head of the Human Resources Center of Excellence. The Nomination and Compensation Committee meets at least three times a year. The meetings usually last around four hours. A total of six meetings were held during the year under review (in February, May, June, August, September and November).

Risk and Audit Committee (RAC)
The Risk and Audit Committee monitors and assesses the institution-wide Risk Management Framework, the integrity of financial statements, the internal control system (ICS), and the effectiveness of Internal Audit and the audit firm, as well as their interaction.

This entails the following specific duties:
1. Critical analysis of financial statements (individual and consolidated financial statements, as well as annual and interim financial statements); discussion of financial statements with the CFO/CRO, the lead auditor from the audit firm and the Head of Internal Audit; submission of a report to the Board of Directors and issuing of recommendations regarding motions to be proposed to the General Meeting of Shareholders.
2. Planning, monitoring and evaluating the existence, appropriateness and effectiveness of the internal control system (ICS). This comprises the ICS in the area of financial reporting as well as the ICS beyond financial reporting, including 1st and 2nd Line of Defence control activities; the Risk and Audit Committee ensures that the ICS is adapted in the event of any significant changes to Vontobel's risk profile.
3. Receiving and reviewing the periodic consolidated risk reports for submission to the Board of Directors.
4. Approval of the risk analysis, planning and reporting produced by Internal Audit for submission to the Board of Directors; analysis and discussion of audit results and the implementation of recommendations; assessment of the appropriateness of resources and expertise as well as independence, objectivity and quality; maintaining regular contact with the Head of Internal Audit.
5. Assessment of the risk analysis and planning of the audit firm; analysis of its audit reports and discussions with the lead auditor; verification that any deficiencies have been addressed and that recommendations made by the audit firm have been complied with; evaluation of its performance and fees and verification of its independence and quality; assessment of interaction between the audit firm and Internal Audit.
6. Preparation of the activities of the Board of Directors in respect of regulations governing structured products, treasury, lending to professional counterparties, lending to private and institutional clients, operational risks, management transactions, ad hoc publicity, Group compliance, consolidated supervision and the institution-wide Risk Management Framework, as well as any other regulations issued by the Board of Directors in connection with the institution-wide Risk Management Framework.
7. Periodic review of the institution-wide Risk Management Framework to determine its appropriateness and effectiveness, including the approval of the combined Group-wide stress tests together with the scenarios used and the relevant methods, as well as the approval of the detailed results of those stress tests.
8. Submitting proposals to the Board of Directors to obtain approval of decisions reached by the Executive Committee regarding new products, business activities, markets or outsourcing if they have a significant impact on Vontobel's risk profile.

In this context, regular contact is maintained with representatives of management, Internal Audit, the audit firm and relevant specialist units within Vontobel. The Risk and Audit Committee may conduct special reviews or studies on important issues and request additional internal and/or external resources in consultation with the Chairman of the Board of Directors. In addition, the Chairman of the Risk and Audit Committee may assign special mandates to individual members of the Committee.

The Risk and Audit Committee meets at least three times per year. The meetings usually last four to eight hours. A total of six meetings were held during the year under review (in January, April, June, July, November and December).

As of December 31, 2023, the majority of members of the Risk and Audit Committee met the independence criteria prescribed by supervisory law. Meetings of the Risk and Audit Committee are attended by the CEO, the CFO/CRO, the General Counsel as well as representatives of Internal Audit and the audit firm. Further, the relevant Vontobel specialists – particularly from the Finance & Risk Center of Excellence and the Legal & Compliance Center of Excellence – are regularly invited to attend meetings when topics within their area of expertise are discussed.

Investment Oversight Committee (IOC)
The main purpose of the Investment Oversight Committee is to facilitate in-depth discussions on investment-related topics. They may, where appropriate and necessary, be referred to the full Board of Directors for further discussion and decision-making.

The most important topics discussed are:
(a) Investment performance;
(b) Sustainability of products / product lines;

(c) Strategic aspects of the product range, both with regard to the improvement or expansion of the product range and as the discontinuation of activities;
(d) Complex human resources issues concerning senior investment professionals and other relevant employees of the Investments Center of Excellence, in close in close consultation with the Nomination and Compensation Committee.

The Investment Oversight Committee also fosters an active dialogue between the three Client Units and the Investments Center of Excellence. Regular contact is maintained with representatives of the management, the Investments Center of Excellence and the Client Units for this purpose.

The CEO, the Head of the Investments Center of Excellence, the Head of the Wealth Management Client Unit and the Head of the Asset Management Client Unit take part in the meetings of the Investment Oversight Committee. In addition, other experts are regularly consulted on specific topics. The Investment Oversight Committee meets at least four times a year. The meetings usually last around two hours. In the year under review, six meetings were held (in January, February, April, July, September and November).

Attendance of meetings of the Board of Directors and the Committees in 2023

	BOARD OF DIRECTORS	RISK AND AUDIT COMMITTEE (RAC)	NOMINATION AND COMPENSATION COMMITTEE (NCC)	INVESTMENT OVERSIGHT COMMITTEE (IOC)
Number of meetings				
Andreas E.F. Utermann	8		1x as guest / 5	6
David Cole	7	6		
Bruno Basler	8		6	
Dr. Maja Baumann	8	6		
Dr. Elisabeth Bourqui	8	6		6
Dr. Michael Halbherr	6		6	
Stefan Loacker	8	6		
Clara C. Streit	8		6	
Björn Wettergren	8		6	6

Internal Audit

Vontobel's Internal Audit function performs the internal audit duties assigned to it. Internal Audit reports directly to the Board of Directors and supports it in fulfilling its legally defined supervisory and monitoring duties.

The Board of Directors defines organizational aspects of Internal Audit, as well as its duties and powers, in the Internal Audit Charter. In particular:

- Internal Audit provides independent audit and advisory services for the assessment and improvement of risk management, the internal control system and controls;
- Internal Audit's mandate encompasses all Vontobel companies;
- Risk-based planning is approved by the Board of Directors at the request of the Risk and Audit Committee. This planning includes resourcing that is aligned with the relevant scope, complexity and risk profile;
- The audit reports produced by Internal Audit are submitted to the Risk and Audit Committee, the Chairman of the Board of Directors, the CEO, the CFO/CRO, the General Counsel, the COO, responsible management units and the corresponding governing bodies of subsidiaries; in addition, the audit firm receives all audit reports from Internal Audit;
- The Risk and Audit Committee, the Board of Directors and the Executive Committee take note of the activity report produced by Internal Audit; in addition, the audit firm receives the activity report;
- The implementation of improvement measures is verified, and the status of these efforts is reported on a half-yearly basis;
- The Board of Directors and the Risk and Audit Committee may request that special audits be performed by Internal Audit;
- Internal Audit has an unlimited right of inspection and information;
- Internal Audit operates a quality assurance and improvement program that comprises internal and external assessments;
- The Head of Internal Audit regularly attends meetings of the Risk and Audit Committee;
- Its audit activities are based on the guidelines issued by the Institute of Internal Auditors (IIA), which were

declared binding by the Swiss Financial Market Supervisory Authority (FINMA);
- Internal Audit coordinates its activities with the audit firm in accordance with professional standards and guidelines.

Division of powers and responsibilities

Board of Directors

The Board of Directors of Vontobel Holding AG is responsible for the overall direction of Vontobel and exercises supervision and control over the operational management team unless prescribed otherwise by legislation, the Articles of Association or the Business and Organizational Regulations. The division of powers and responsibilities between the Board of Directors and the Executive Committee is set out in the Business and Organizational Regulations of Vontobel Holding AG (www.vontobel.com/en-ch/about-vontobel/corporate-governance/corporate-governance-regulations/).

In particular, the Board of Directors discharges the following duties and has the following powers:

1. Overall direction of the holding company and of Vontobel and issuing the necessary directives – particularly through the approval and periodic revision of the Mission Statement and the strategy of the holding company and for Vontobel;
2. Defining the organizational structure of the holding company and of Vontobel (including the creation/discontinuation or restructuring of Client Units and Centers of Excellence), and issuing and amending the Business and Organizational Regulations and the "Approval Authorities";
3. Determining the principles for accounting, financial control (internal control system (ICS) in the area of financial reporting) and financial planning for the holding company and for Vontobel to the extent that is required for the management of the company. This includes the approval of the annual budget, annual targets, capital planning including refinancing planning, and medium-term planning as the multi-year income and capital expenditure planning for various scenarios within the operating environment. This also includes the approval of the combined Group-wide stress test results and measures to ensure that risk exposures and risk capacity are adequately aligned as part of capital planning;
4. Appointing or removing the CEO, the other members of the Executive Committee and the Head of Internal Audit, as well as approving the appointment of the Heads of Client Units and Centers of Excellence by the CEO; the Board of Directors bases its decisions on the recommendations of the Nomination and Compensation Committee when discharging this duty;
5. Overall supervision and control of individuals with responsibility for the conduct of business – particularly to ensure compliance with legislation and regulatory requirements, as well as with the Articles of Association, regulations and directives of the holding company and of Vontobel;
6. Reporting to shareholders and, in particular, producing the Annual Report and the Compensation Report;
7. Preparing the General Meeting of Shareholders and implementing the motions approved by shareholders;
8. Issuing, regularly reviewing and monitoring compliance with the institution-wide Risk Management Framework (including the ICS in the area of financial reporting as well as the ICS beyond financial reporting), the regulations governing structured products, treasury, lending to professional counterparties, lending to private and institutional clients, operational risks, management transactions and ad hoc publicity, as well as regulations governing Group compliance, internal audit and consolidated supervision. The Board of Directors is assisted by the Risk and Audit Committee (RAC) when discharging this duty. The Board of Directors may issue further regulations;
9. Receiving consolidated risk reporting;
10. Issuing a human resources strategy for Vontobel at the request of the CEO; the Board of Directors takes account of the recommendations of the Nomination and Compensation Committee when discharging this duty;
11. Appointing or removing individuals entrusted with representing the holding company (and particularly the conduct of business) and determining their signatory powers. The principle of joint signatory powers (dual authorization) applies;
12. Monitoring and evaluating Internal Audit and periodically verifying that it has the appropriate resources and expertise as well as the necessary independence and objectivity to conduct its audit function within the institution. Further details are defined in the regulations governing internal audit; the Risk and Audit Committee assists the Board of Directors in discharging this duty;
13. Selecting the statutory auditors and proposing the motion for the election of the statutory auditors to the General Meeting of Shareholders; receiving the risk analysis, planning and reporting produced by the audit firm and reviewing them periodically; the Risk and Audit Committee assists the Board of Directors in discharging this duty;
14. Deciding on strategic initiatives in the area of information technology (IT);

15. Submitting an application for a debt moratorium and notifying the court and FINMA in the event of over-indebtedness;
16. Drawing up a capital increase report and implementing the corresponding amendments to the Articles of Association (Art. 652g of the Swiss Code of Obligations);
17. Appointing an interim Chairman of the Board of Directors, interim members of the Compensation Committee and the independent proxy ad interim for the period ending at the conclusion of the next General Meeting of Shareholders if the position of Chairman of the Board of Directors, of members of the Compensation Committee or of the independent proxy becomes vacant in the course of the year;
18. Purchase or sale of real estate by the holding company and subsidiaries in the amount of CHF 5 million or more if not included in the budget, or in the amount of CHF 10 million or more if included in the budget;
19. Each item of capital expenditure, including those made by subsidiaries, in the amount of CHF 10 million or more;
20. Approving the following transactions:
(a) Acquisition or disposal of participations by the holding company and subsidiaries;
(b) Establishment or dissolution of subsidiaries as well as any branch offices and representative offices of subsidiaries;
(c) Raising of loans by the holding company and the subsidiaries;
(d) Issuing or authorization of secured and unsecured loans, bonds or guarantees by subsidiaries, where this duty falls within the remit of the Board of Directors of the holding company according to applicable lending regulations;
(e) Approval of decisions by the Executive Committee relating to new products, business activities, markets, as well as outsourcing, if they have a significant impact on Vontobel's business policy or risk profile;
(f) Initiation of legal proceedings or filing of appeals, conclusion of composition agreements, settlement or recognition of lawsuits where the value in dispute exceeds CHF 10 million;
(g) Election of members of the Board of Directors of Bank Vontobel AG, Zurich; the Chairman and the other members of the Board of Directors of Vontobel Holding AG are permitted to occupy a seat on the bank's most senior governing body;
(h) Conclusion or termination of strategically important cooperation agreements and approval of important strategic projects;
(i) Approval of external mandates held by members of the Executive Committee;
(j) Approval of (i) the promotion of employees to the rank of Managing Director in all Vontobel companies, and (ii) the promotion of the Head of Internal Audit;
(k) Approval of gestures of goodwill (measures without any legal obligation) and receiving reports on cases involving losses (out-of-court proceedings) exceeding CHF 1 million;
21. Annual evaluation of the achievement of the Board of Directors' objectives and of its working practices;
22. Other matters which, by law or pursuant to the Articles of Association or the Business and Organizational Regulations, fall exclusively within the remit of the Board of Directors.

Executive Committee

The Executive Committee is Vontobel's executive body that reports to the Board of Directors. It is composed of the CEO, the CFO/CRO, the General Counsel and the Head of the Technology & Services Center of Excellence (COO), as well as further Heads of individual Client Units (CU) and/or Centers of Excellence (CoE), whom the Board of Directors has designated as members of the Executive Committee.

The Executive Committee meets as often as business dictates – generally on a monthly basis but at least nine times per year. Where sensible and necessary, the Executive Committee can invite the Heads of Client Units and Centers of Excellence or other experts to attend meetings. These individuals support the Executive Committee in the preparation of its decisions, acting in a purely advisory capacity.

The Executive Committee shall constitute a quorum if the absolute majority of its members is present. Members who, in exceptional cases, attend meetings by telephone or videoconference are deemed to be present.

The Executive Committee operates as a committee under the leadership of the CEO. Decisions are reached by way of a majority of votes represented at the meeting. In the event of a tied vote, the CEO has the final say. Each member of the Executive Committee has the right to inform the Chairman of the Board of Directors about differences of opinion on important topics.

The Executive Committee may pass its resolutions by circular letter, which may involve the use of electronic tools, provided that no member calls for a verbal consultation on the matter.

The Executive Committee generally reports to the Board of Directors through the CEO. In the case of delegated duties or powers, the Executive Committee reports to the relevant committee of the Board of Directors. The CEO informs the

Board of Directors about the current performance of the business and significant business incidents. The CEO coordinates the flow of information to the Board of Directors and within operational areas. The Executive Committee has a duty to provide information to the Board of Directors.

The Executive Committee is responsible for all Vontobel matters that do not expressly fall within the remit of the Board of Directors of Vontobel Holding AG or of a subsidiary according to legislation, the Articles of Association or the Business and Organizational Regulations.

In particular, the Executive Committee is responsible for the following duties:
(a) Developing a Group-wide business strategy for presentation to the Board of Directors;
(b) Implementing decisions that were reached by the Board of Directors;
(c) Monitoring the execution of these decisions;
(d) Managing and supervising Vontobel's daily operations, which must be conducted in accordance with its financial planning, annual budget, annual targets, capital planning including refinancing planning, and medium-term planning as the multi-year income and capital expenditure planning for various scenarios regarding the operating environment, as well as the institution-wide Risk Management Framework, and must also comply with the other guidelines and instructions issued by the Board of Directors;
(e) Managing income and the balance sheet structure;
(f) Ensuring compliance with legal and regulatory requirements as well as applicable industry standards;
(g) Developing the institution-wide Risk Management Framework; the Executive Committee submits this framework to the Risk and Audit Committee for approval by the Board of Directors and regularly reviews the framework and submit its findings to the Board of Directors;
(h) Implementing the Institution-wide Risk Management Framework, particularly through governance of the risk architecture, the basic aspects of risk responsibility, risk management and risk controls; in particular, this includes the organization of the internal control system (ICS), while ensuring the necessary separation of powers and functions; the implementation of the Institution-wide Risk Management Framework also involves the regular execution and analysis of stress tests as well as the analysis of risk capacity;
(i) Consolidated risk reporting to the Board of Directors and the Risk and Audit Committee;
(j) Issuing directives to representatives of the holding company regarding the exercising of voting rights at the General Meeting of Shareholders of the subsidiaries;
(k) For all subsidiaries with the exception of Bank Vontobel AG, Zurich: Appointing or removing members of the Boards of Directors and other governing bodies;
(l) For all subsidiaries: Issuing instructions regarding the appointment or removal of the Executive Committee, the CEO as well as the heads of branches.

The Executive Committee generally submits proposals regarding all matters that require a decision to be reached by the Board of Directors. The CEO presents the proposals on behalf of the Executive Committee at meetings of the Board of Directors. Subject to the approval of the Chairman of the Board of Directors, the CEO may also appoint another member of the Executive Committee, a Head of a Client Unit / Center of Excellence, or another expert to discharge this duty.

The Executive Committee has the authority to decide on the following matters (unless they are subject to the approval of the Board of Directors, in which case this is expressly stated in the Business and Organizational Regulations):
(a) Formulating and proposing Vontobel's annual budget and annual targets – broken down by Client Units and Centers of Excellence – for approval by the Board of Directors;
(b) Decisions on new products, business activities or markets (including digital products and / or services) as well as outsourcing; if this matter will have a significant impact on Vontobel's business policy, the Executive Committee refers the matter to the Board of Directors directly; if the matter will have a significant impact on Vontobel's risk profile, the Executive Committee obtains the approval of the Board of Directors through the Risk and Audit Committee;
(c) Ensuring that a professional investment policy is permanently in place and is implemented promptly throughout the Group;
(d) Issuing policies that apply to the whole of Vontobel and that fall exclusively within the remit of the Executive Committee according to legal provisions, the Articles of Association or the Business and Organizational Regulations; issuing policies relating to the Compliance function, credit and counterparty risk, and asset and liability management (ALM), which apply to individual Client Units or Centers of Excellence;
(e) Granting loans in accordance with the powers defined in the lending regulations;
(f) Issuing of private placements;
(g) Assumption of trading positions on own account within the defined limits; the Executive Committee delegates the permissible limits to the responsible business areas and units within Vontobel;

(h) Initiation of legal proceedings or filing of appeals, conclusion of composition agreements, settlement or recognition of lawsuits where the value in dispute totals up to CHF 10 million;
(i) Issuing a Vontobel employee handbook.

Organizational set-up in 2024
For information on Vontobel's organizational set-up as of December 31, 2023, please refer to page 12 to 15.

Information and control instruments relating to the Executive Committee
The Board of Directors meets at least four times a year as specified in the Business and Organizational Regulations; in practice, five to eight meetings are held each year. Ordinary meetings usually last an entire day. Unless the Chairman of the Board of Directors decides otherwise, the CEO and the CFO/CRO attend the meetings of the Board of Directors in an advisory capacity. The Chairman determines which other participants may attend a meeting of the Board of Directors (other members of the Executive Committee or other experts). The CEO is entitled to make recommendations regarding other participants. The Board of Directors receives monthly reports about the performance of the business and the Group's risk profile. Periodic reporting on the annual budgeting process, provisions, compliance with legal, regulatory and internal requirements, and legal risks, as well as reports from Internal Audit and the audit firm are standard. Risk reporting is derived from the Risk Appetite Framework and provides information on the development of market, liquidity, credit and operational risks as well as reputational risks. Within the Risk Appetite Framework, each of these risk types is expanded upon and a qualitative appetite statement as well as quantitative measures serve as Key Risk Indicators (KRIs) for the Board of Directors, making clear where increased focus or scrutiny is required. The Board of Directors reviews all of the KRIs on an annual basis to ensure they remain valid and receives detailed reports on a monthly basis. Detailed information on the management and monitoring of these risks can be found in the Notes to the consolidated financial statements (page 167 to 180). Internal Audit reports to the Chairman of the Board of Directors and the Risk and Audit Committee about its audit activities on an ongoing basis and provides the Board of Directors with consolidated reports on an annual basis. The audit firm produces its annual statutory audit report (report about the regulatory audit) as well as further reports on audits addressing specific topics for submission to the Board of Directors. The statutory audit report is addressed to the Board of Directors and a copy of the report is submitted to FINMA, as well as the Executive Committee and the Head of Internal Audit.

Each member of the Board is entitled to request information on any matters relating to Vontobel Holding AG or Vontobel from the other members of the Board of Directors or the CEO at meetings of the Board of Directors. Any member of the Board of Directors may submit a request for information about Vontobel's performance to the CEO outside a meeting of the Board of Directors. Subject to approval by the Chairman of the Board of Directors, the members of the Board of Directors may obtain information about specific business incidents and/or inspect business records.

Executive Committee

Members of the Executive Committee as of December 31, 2023

NAME	FUNCTION	NATIONALITY
Dr. Zeno Staub	CEO	Swiss
Dr. Thomas Heinzl	CFO / CRO	Austrian
Dr. Maria-Antonella Bino	GC	Swiss
Felix Lenhard	COO	Swiss
Dr. Christel Rendu de Lint	Head Investments	Swiss

Dr. Christel Rendu de Lint has been a member of the Executive Committee since January 13, 2023. From January 13, 2023, to December 31, 2023, the Executive Committee comprised: Dr. Zeno Staub (CEO), Dr. Thomas Heinzl (CFO/CRO), Dr. Maria-Antonella Bino (General Counsel), Felix Lenhard (COO) and Dr. Christel Rendu de Lint (Head Investments).

Dr. Zeno Staub and Felix Lenhard stepped down from the Executive Committee on December 31, 2023. Effective January 1, 2024, Dr. Christel Rendu de Lint and Georg Schubiger took over the CEO role from Dr. Zeno Staub and were appointed as Co-CEOs. Effective January 1, 2024, Markus Pfister was appointed Chief Operating Officer (COO). Since January 1, 2024, the Executive Committee has comprised: Dr. Christel Rendu Lint (Co-CEO), Georg Schubiger (Co-CEO), Dr. Thomas Heinzl (CFO/CRO), Dr. Maria-Antonella Bino (General Counsel) and Markus Pfister (COO).

Other activities and functions
With the exception of Dr. Maria-Antonella Bino, the members of the Executive Committee held various other functions within the Vontobel Group before being appointed to the Executive Committee. For further information, refer to their curricula vitae on page 47 to 49. For information on other activities and functions performed by the members of the Executive Committee, refer to their curricula vitae on page 47 to 49.

Dr. Zeno Staub
Chief Executive Officer

Born 1969,
Swiss citizen

Member of the Executive Committee since 2003

Education
Dr. oec., University of St. Gallen, Switzerland

Professional background
2001–2023 Vontobel, Zurich, Switzerland
- 2011–2023 Chief Executive Officer
- 2008–2011 Head of Asset Management
- 2006–2007 Head of Investment Banking
- 2003–2006 Chief Financial Officer
- 2001–2002 Head of the Chief Financial Officer management support unit (Controlling and IT project portfolio)

2000 BZ Informatik AG, Freienbach, Switzerland
Member of the Executive Management

1994–2000 Almafin AG, St. Gallen, Switzerland
Founding shareholder and Managing Partner

Mandates
- Member of the Board of Directors of the Swiss Bankers Association, Basel, Switzerland (until the end of 2023)
- Vice-Chairman of the Board of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland (until the end of 2023)
- Member of the Board of Directors of Bühler Holding AG, Uzwil, Switzerland
- Member of the Swiss Society of Financial Market Research, St. Gallen, Switzerland
- Member of the Board of Trustees of the Max Schmidheiny Foundation, St. Gallen, Switzerland
- Member of the Management Board of the Gottfried Keller Society, Zurich, Switzerland

Dr. Thomas Heinzl
Chief Financial Officer / Chief Risk Officer

Born 1970,
Austrian citizen

Member of the Executive Committee since 2020

Education
Dr. oec., University of St. Gallen, Switzerland
MSc (Computer Science), Swiss Federal Institute of Technology (ETH), Zurich, Switzerland

Professional background
Since 2020 Vontobel, Zurich, Switzerland
Chief Financial Officer / Chief Risk Officer

2014–2020 UBS AG, Zurich, Switzerland
- 2014–2020 Chief Operating Officer, UBS Asset Management
- 2019–2020 Chairman of the Board of Directors of UBS Asset Management Schweiz AG

2012–2014 Vontobel, Zurich, Switzerland
Head of the PB Investments (Discretionary and Advisory) unit, Sales and Product Management

2012 UBS AG, Zurich, Switzerland
Head of Strategic Planning

2011–2012 Start-up

1998–2010 McKinsey & Company, Switzerland

Mandates
None

Dr. Maria-Antonella Bino
General Counsel

Born 1966,
Swiss citizen

Member of the Executive Committee
since 2021

Education
PhD in Law, University of Geneva, Switzerland

Professional background

Since 2021	Vontobel, Zurich, Switzerland General Counsel, Head Legal & Compliance
2020–2021	Group Sygnum Bank AG, Zurich, Switzerland Advisor to the Group CEO, Head of Legal & Compliance, Group Executive Board Member
2013–2020	BNP Paribas BNP Paribas (Suisse) SA, Geneva, Switzerland General Counsel, member of the Executive Board BNP Paribas SA, Paris, France Group Legal and IFS Group Legal, member of the Executive Committee BNP Paribas Wealth Management, Monaco Member of the Board of Directors and Chairwoman of the Audit Committee
2011–2013	Federal Office of the Attorney General of Switzerland Deputy of the Attorney General
2008–2010	Federal Examining Magistrates Office, Switzerland Deputy Chief Federal Examining Magistrate
2002–2008	Federal Examining Magistrates Office, Switzerland Federal Examining Magistrate
1999–2002	Federal Supreme Court of Switzerland Court clerk

Mandates
- Substitute Federal Judge at the Federal Criminal Supreme Court, Bellinzona, Switzerland
- Chair of the Lawyers Group of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland, and representative of VAV in the Lawyers Group of the Swiss Bankers Association

Felix Lenhard
Chief Operating Officer

Born 1965,
Swiss citizen

Member of the Executive Committee
since 2010

Education
lic. oec., University of St. Gallen, Switzerland

Professional background

2001–2023	Vontobel, Zurich, Switzerland 2010–2023 Chief Operating Officer of Vontobel 2009 Head of IT within the Operations support unit 2003–2009 Head of Business Applications division within the Operations support unit 2001–2003 Corporate Business Development
2000	BZ Informatik AG, Freienbach, Switzerland Member of the Executive Management
1996–2000	Almafin AG, St. Gallen, Switzerland Partner with responsibility for the area of consulting
1991–1996	PwC, Zurich, Switzerland, and London, UK Senior Consultant Financial Services division

Mandates
None

Dr. Christel Rendu de Lint
Head Investments

Born 1973,
Swiss citizen

Member of the Executive Committee
since 2023

Education
PhD in Economics, London Business School, UK
lic. oec., University of St. Gallen, Switzerland

Professional background

Since 2021	Vontobel, Zurich, Switzerland Since 2023 Head Investments 2021–2022 Deputy Head Investments
2007–2021	Union Bancaire Privée, Geneva, Switzerland Head Fixed Income, Asset Management
2003–2007	Pictet, Geneva, Switzerland Senior Fixed Income Portfolio Manager, Asset Management
2000–2003	Morgan Stanley, London, UK Senior Economist, Sell-Side Equity Research
1993–1999	Various research positions International Monetary Fund, Washington D.C., USA Swiss Institute of Banking and Finance, St. Gallen, Switzerland Swiss National Bank, Zurich, Switzerland

Mandates
– Member of the Board of Directors of the Asset Management Association Switzerland (AMAS)

Rules in the Articles of Association governing the number of permitted activities
Art. 25 of the Articles of Association of Vontobel Holding AG states that no member of the Executive Committee may perform more than five additional mandates outside Vontobel, of which no more than two additional mandates may be performed in listed companies. Additionally, a member of the Executive Committee may perform up to seven mandates in not-for-profit or charitable legal entities outside Vontobel.

The provisions set out in the applicable Business and Organizational Regulations also apply (please refer to: www.vontobel.com/en-ch/about-vontobel/corporate-governance/corporate-governance-regulations/).

Management contracts
There are no management contracts.

Gender representation
Of the five members of the Executive Committee, three are men and two are women. Each gender therefore has at least 20% representation on the Executive Committee.

Compensation, shareholdings and loans
Information about compensation, shareholdings and loans can be found in the Vontobel Compensation Report commencing on page 72 to 79.

Shareholders' participatory rights

Restrictions on and representation of voting rights
The transfer of registered shares requires the approval of the Board of Directors or a committee designated by the Board of Directors. If listed registered shares are acquired through the stock market, title to the shares is transferred at the time of their transfer to the acquirer. If listed registered shares are acquired by means other than through the stock market, title passes to the acquirer when the latter applies to the company for recognition as a shareholder. The application to be entered in the share register may be submitted electronically. However, the acquirer may not, in any event, exercise voting rights associated with the shares or any other rights associated with the voting rights until the company has recognized the acquirer as a shareholder. The acquirer is not subject to any restrictions on the exercising of any other shareholder rights.

The Board of Directors may refuse to recognize an acquirer of registered shares as a full shareholder:

(a) if the number of registered shares held by the acquirer exceeds 10 percent of the total number of registered shares recorded in the Commercial Register. Legal entities and partnerships with a legal capacity that are united in terms of capital or votes in a single management structure or in some other similar manner together with natural or legal entities or partnerships that act in a coordinated way to circumvent registration restrictions, are deemed for the purposes of this provision to be one acquirer; the vested rights of shareholders or shareholder groupings (including the right, whilst retaining beneficial ownership, to contribute shares in companies over which they have full control, or to remove the shares from such companies, together with the right to transfer shares within a shareholder grouping without restriction under this percentage clause regarding the participation of individual shareholders, in all cases with full retention of voting power), who together already held more than 10 percent of the share capital at the time restricted transferability was introduced by means of a public notice on January 25, 2001, are not affected;
(b) if, when requested by the company, the acquirer fails to confirm expressly that the shares were acquired in their own name and for their own account, that there is no agreement for the redemption or the return of relevant shares, and that the acquirer bears the economic risk associated with the shares.

After the share transfer has been approved, it is entered in the share register. The company recognizes as shareholders or beneficiaries of registered shares only those entities entered in the share register. If the company has not yet approved the acquirer on the date legal title is transferred, the acquirer is entered in the share register as a shareholder without voting rights and, in this case, the relevant shares are deemed to be unrepresented at any General Meeting of Shareholders.

For information on the conditions that apply to the lifting of restrictions on voting rights set out in the Articles of Association, refer to the below section "Statutory quorums".

In the year under review, no exceptions were granted according to the statutory quorums (see the following paragraph).

Each share entitles the shareholder to one vote. A shareholder may grant a written power of attorney in order to be represented at the General Meeting of Shareholders by a third party, who need not be a shareholder, or by the independent proxy. The Articles of Association do not contain any other rules on the issuing of instructions to the independent proxy or on electronic participation in the General Meeting of Shareholders.

The Articles of Association do not contain any provisions on nominee registrations.

Statutory quorums
To be valid, resolutions and elections by the General Meeting of Shareholders require a majority of the votes cast, excluding blank and invalid votes, unless binding legal provisions stipulate otherwise. Resolutions by the General Meeting of Shareholders require a minimum of two-thirds of votes represented and an absolute majority of the nominal share values represented in order to:
(a) Amend the object of the company
(b) Introduce voting shares
(c) Consolidate shares
(d) Amend or revoke restrictions on the ability to transfer registered shares (restricted transferability)
(e) Introduce conditional capital, introduce a capital band or create reserve capital in accordance with Art. 12 of the Swiss Banking Act
(f) Provide an increase in capital from equity, in return for non-cash considerations or by offsetting a claim, and the granting of special benefits
(g) Convert participation certificates into shares
(h) Restrict or revoke pre-emptive rights
(i) Add a provision to the Articles of Association on holding the General Meeting of Shareholders abroad
(j) Relocate the registered office of the company
(k) Add an arbitration clause to the Articles of Association
(l) Introduce a casting vote for the chairman of the General Meeting of Shareholders
(m) Delist the company's equity securities
(n) Remove more than one member of the Board of Directors in the course of one financial year
(o) Dissolve the company (with or without liquidation)
(p) Distribute a dividend in kind
(q) Increase the share capital (in all cases).

Convening of the General Meeting of Shareholders
Legal regulations apply to the convening of the General Meeting of Shareholders.

Invitations to attend the General Meeting of Shareholders are issued by the Board of Directors or, in the instances specified by law or in the Articles of Associations, by the statutory auditors or liquidators. The General Meeting of Shareholders is to be convened at least 20 days before the date of the meeting in the form specified by the company for offical notices. The notice of the meeting shall indicate the information prescribed in Art. 10 of the Articles of Association. In addition, shareholders entered in the share register are to be notified of any General Meeting electronically and/or in writing. The notice convening the meeting must indicate the nature of any admission requirements. The notice of the Ordinary General Meeting must draw attention to the fact that the Annual Report, the Compensation Report and the auditors' report are published on the company's website. If the documents cannot be accessed electronically, every shareholder may also ask for a copy of these documents to be sent to them without delay.

Inclusion of an item on the agenda
Shareholders representing at least 0.5 percent of the share capital or votes may apply in writing for an item to be included on the agenda for discussion together with any associated motions. Any such application must reach the company at least two months before the date of the General Meeting.

No resolutions may be passed on motions that are not part of duly notified agenda items. Exempt from this provision are motions to convene an Extraordinary General Meeting, to conduct a special investigation and to elect statutory auditors following a request from a shareholder. No prior notification is required for motions that are part of items for discussion or where no associated resolution is required.

Entry in the share register
In accordance with Article 4 para. 4 of the Articles of Association, entries shall not be made in the share register in the period between the issuing of invitations to the General Meeting of Shareholders (or a date specified by the Board of Directors) and the day following that General Meeting. The share register usually closes a few working days prior to the General Meeting; in the year under review, it closed on March 24, 2023, and the General Meeting took place on April 4, 2023.

Change of control and defense measures

Mandatory public takeover offer
The Articles of Association do not include an "opting out" or "opting up" clause with regard to mandatory public takeover offers, as defined in Art. 125 of the Swiss Financial Market Infrastructure Act. The instruments available to the company to defend itself against hostile takeover bids essentially comprise the following measures already referred to above:
- At present, 50.9 percent of voting rights are bound by a shareholder pooling agreement on a long-term basis (see section "Major shareholders and groups of shareholders with pooled voting rights", page 31).
- The restrictions on transferability allow the Board of

Directors to refuse to enter shareholders or groups of shareholders in the share register once their shareholdings exceed the 10 percent threshold (see section "Voting rights: restrictions and representation", page 50).
- A change in the restrictions on transferability or the removal of more than one member of the Board of Directors in the course of one financial year must be approved by a qualified majority (see section "Statutory quorums", page 51).

Change of control clauses
The contracts of members of the Board of Directors (including the Chairman of the Board of Directors) and the Executive Committee do not – with the exception of entitlements arising from the share participation plan – make provision for any agreements in the case of a change of corporate control (change of control clauses). In the event of a change of control, any entitlements arising from the share participation plan will, however, be met immediately if the plan cannot be continued.

Statutory auditor / Group auditor

Duration of mandate and term of office of auditor in charge
The consolidated financial statements and the financial statements of Vontobel Holding AG and the subsidiaries (except for Bank Vontobel Europe AG) are audited by Ernst & Young. The external auditor of Vontobel Holding AG is elected for a period of one year at the General Meeting of Shareholders. Ernst & Young was elected as auditor for the first time when Vontobel Holding AG was established in 1983. The auditor in charge is Prof. Dr. Andreas Blumer, who has held this function since the financial year 2019. The holder of this office changes every seven years, in accordance with the requirements of the Swiss Code of Obligations. The role of statutory auditor has been performed by Philipp Müller since the financial year 2019.

Fees paid to the auditor

1,000 CHF	2023	2022
Auditing fees billed by Ernst & Young	3,192.3	2,940.7
Additional fees billed by Ernst & Young for audit-related services	465.8	455.1
of which tax services	*329.8*	*353.9*
of which other services	*136.0*	*101.2*

Additional fees
The additional fees primarily concern services provided in connection with projects and audit-related services for tax or regulatory matters. Tax services comprise services related to the tax returns of subsidiaries and the area of transfer pricing documentation. Other services provided during the year under review consisted primarily of services related to regulatory confirmations for the supervisory authorities and the evaluation of the impacts of regulatory changes. The audit firm is permitted to provide these services as well as performing the auditing duties of the external auditor as they do not give rise to any conflicts of interests. The subject of any new audits, as well as special audits that have to be conducted at the request of the supervisory authorities, require the approval of the Risk and Audit Committee. There is no prescribed catalogue of criteria that has to be consulted when approving these types of additional mandates; the Risk and Audit Committee decides on an individual basis whether the issuing of an additional mandate would impact on the auditor's independence.

Supervision and control instruments relating to audits
The Board of Directors is responsible for the supervision and control of the audit firm. This includes examining the risk analysis and reviewing the reports produced by Internal Audit and the audit firm; it is assisted by the Risk and Audit Committee when discharging this duty. The Risk and Audit Committee obtains regular reports from representatives of the audit firm and it evaluates the firm's performance based on the quality and comprehensiveness of its audit activities. The audit firm and Internal Audit attended all meetings of the Risk and Audit Committee in the year under review.

Vontobel, as a banking group, is subject to consolidated supervision by FINMA. Legal requirements and regulations must therefore be observed in the selection of the audit firm. Other material selection criteria applied by the Board of Directors are the audit firm's proven expertise with regard to complex finance and valuation issues in accordance with the accounting standards prescribed by FINMA and the IFRS Accounting Standards (IFRS), as well as its expertise regarding special topics relating specifically to the institution. The audit firm's independence, performance and fees are evaluated periodically using a defined process and a structured set of criteria. Further, a detailed review is conducted approximately every five years. A review of this nature was last carried out in 2018, since the mandate was put out to tender in 2019 and a comprehensive validation process was carried out.

Transparency on non-financial matters

The disclosures on transparency about non-financial matters pursuant to Art. 964a et seq. of the Swiss Code of Obligations can be found in Vontobel's Sustainability Report on page 145 onwards.

Information policy

As a company listed on the stock exchange, Vontobel Holding AG pursues a consistent and transparent information policy towards its shareholders, clients and employees, as well as the financial community and the general public. Its regular reporting activities include the publication of its annual and half-year reports and its trading updates for the first and third quarters, as well as its annual and half-year conferences for the media, investors and analysts and the General Meeting of Shareholders. When important developments occur, the above-mentioned stakeholders are informed simultaneously in accordance with Art. 53 of the Listing Rules of SIX Swiss Exchange. Information is communicated to them on Vontobel's website (www.vontobel.com), in an electronic newsletter and via press releases, which are distributed to newspapers of national and international importance (including Neue Zürcher Zeitung, Finanz und Wirtschaft, Le Temps, the Financial Times and Handelsblatt) and through electronic information systems (including Bloomberg, Reuters and AWP). The corresponding press releases are also available on Vontobel's website (www.vontobel.com/financialnews). To subscribe to Vontobel's financial news and press releases, including ad hoc releases, see: https://www.vontobel.com/en-ch/about-vontobel/investor-relations/subscribe-to-financial-news/. Official notices relating to the company are published in the Swiss Official Gazette of Commerce (Schweizerisches Handelsamtsblatt, SHAB) unless some other manner of publication is prescribed by law.

Information on important events (dates of the General Meeting of Shareholders, date of the conference for media, investors and analysts, publication dates of financial reports) as well as contact information (including e-mail addresses and telephone numbers) are available on page 273 of the Annual Report and at www.vontobel.com/ir as well as in the financial calendar at: https://www.vontobel.com/en-ch/about-vontobel/investor-relations/financial-calendar/. Vontobel's financial reports are available at https://www.vontobel.com/en-ch/about-vontobel/media/communications/.

Trading blackout periods

The general trading blackout periods imposed by the Vontobel Group (Vontobel) are governed by an internal policy as follows:

1. All Vontobel employees are prohibited from trading in Vontobel shares or corresponding derivatives for four weeks prior to the official publication of the annual and half-year results. This period may be adjusted by the General Counsel.
2. In addition, employees who, by virtue of their function, have access to confidential information about Vontobel's business activities are subject to a trading ban from December 7, and June 7, respectively, until after the official publication of the annual and half-year results, respectively, as well as for two weeks prior to the Annual General Meeting of Shareholders of Vontobel Holding AG and prior to the publication of the media release about the trading update of the first and third quarter, unless the General Counsel defines other blocking periods. The group of individuals subject to this trading ban is periodically reviewed and regularly updated and the individuals concerned are informed and instructed accordingly. The members of the Board of Directors and the Executive Committee of Vontobel Holding AG are always subject to this trading ban.

Transactions in Vontobel shares that take place in accordance with the provisions of a pre-established pre-trading plan and without the possibility of influence by the person in question are exempt from the trading ban during the aforementioned trading blackout periods. The option of setting up such pre-trading plans is available exclusively to members of the Board of Directors and the Executive Committee of Vontobel Holding AG.

Supplementary rules also apply to blocked employee participation shares that have not yet been transferred to employees.

Compensation report

"Deliver a great place to work for people who want to excel."

Bruno Basler
Chairman of the Nomination and Compensation Committee

Our compensation policy is aligned with our corporate essence and its core values. Since 2004, our compensation system has supported employees who take responsibility and display entrepreneurship and foresight while placing clients at the center of all that they do.

Shareholders' letter

Dear shareholders

Our compensation policy is aligned with our corporate essence and its core values. Since 2004, our compensation system has supported employees who take responsibility and display entrepreneurship and foresight while placing clients at the center of all that they do. The consistent and predictable nature of the compensation system over time is extremely valuable and has proved to be in the interests of all Vontobel stakeholders.

An important feature of our compensation system is that it encourages all employees to participate in our share participation plan. This promotes an entrepreneurial, prudent and long-term mindset and approach among all our employees and management. More than 67 percent of all Vontobel employees now take part in the share participation plan. At the end of 2023 members of the Executive Committee held an average of more than four times their base salary in Vontobel shares. Furthermore, both our compensation system and individual compensation payments are consistently aligned with the "Pay for Performance" principle: If the financial value created by Vontobel increases, compensation will, on average, also increase. And if value creation decreases, then compensation also decreases. "Pay for Performance" also means that a relatively high proportion of total compensation at Vontobel is variable. The benefit of this is that despite significant variations in business cycles, our level of personnel expense relative to operating income has remained very stable over the last 19 years, amounting to an average of around 50 percent. This also has the effect of reducing the volatility of Vontobel's net profit, dividend and investment power and thus enables a more consistent policy.

Our compensation system helps us recruit, develop and retain the best talent. When recruiting new employees, we strive to attract people with integrity who are right for our company and who value our culture. In this context, we place an emphasis on attracting talented individuals who believe they can achieve success at and with Vontobel and are therefore willing to assume entrepreneurial risk and to join the company on a base salary that sometimes is lower by market standards. If employees are successful and deliver a good performance over the long term, their compensation – together with the share participation plan – will develop in line with or exceed slightly market rates. It is in Vontobel's interests to not only attract but also retain top performers.

Dialogue with our investors
We engage in a regular dialogue with our investors and discuss their thoughts on our compensation policy. We are grateful for all of their suggestions, review them carefully and implement them as far as possible, where this makes sense for our company. For example, we are responding to their calls for greater transparency and are providing the most detailed information possible about the evaluation of the Executive Committee's performance. Our base salaries and annual variable compensation are the subject of carefully prepared decisions by our management bodies.

Pay for performance
In 2023, the uncertainty around interest rates, inflation and geopolitical risks and, in particular, the fears about a global recession had a lasting impact on markets, and it was only in late 2023 that the mood brightened. As a global investment firm specializing in wealth and asset management for private and institutional investors, as well as in investment solutions, Vontobel has proven investment expertise that benefits our clients in all market environments, including in rapidly evolving conditions. In the period from 2003 to 2023, Vontobel recorded a more than fourfold increase in assets under management from CHF 47.1 billion to CHF 206.8 billion. The increase in assets under management of CHF 2.4 billion in 2023 was primarily attributable to positive performance effects due to the recovery of prices in equity and bond markets towards the end of the year. The assets under management of wealth management clients, who were more active in current markets and continued to entrust new money to Vontobel, rose by 5 percent to CHF 97.4 billion compared to the end of 2022. In Asset Management, assets under management decreased from CHF 107.2 billion to CHF 103.3 billion in the reporting year. The Wealth Management business delivered a strong performance in Vontobel's Swiss home market as well as in focus markets. Adjusted for outflows due to Vontobel's strict market focus, growth in net new money in Wealth Management was 5.7 percent and was therefore within its target range of 4-6 percent. Excluding these effects, Wealth Management recorded CHF 3.2 billion of net new money (2022: CHF 5.4 billion), corresponding to growth of 3.5 percent. The business with asset management clients recorded negative net new money of CHF 7.6 billion or growth of –7.1 percent. This was primarily due to weak inflows of assets, reflecting the cautious behavior of institutional investors. Vontobel was unable to escape the general trend visible among active high-conviction asset managers. Demand for fixed income solutions also declined on

the back of uncertainty around interest rates. Instead, institutional investors favored money market products or held their funds in cash.

In 2023, Vontobel generated a 2 percent increase in operating income to CHF 1,304.6 million compared to the previous year (2022: CHF 1,285.1 million). As a globally active investment firm, Vontobel generated 60 percent (2022: 65 percent) of its operating income from the commission business. Vontobel continued to invest in strategic projects in 2023 while, at the same time, taking measures to contain costs in response to changing market conditions. By adopting a sharper focus and leaner positioning, it was able to generate additional gross cost reductions of CHF 65 million by the end of 2023. In view of the market environment, Vontobel delivered a robust Group net profit of CHF 214.7 million, down 7 percent from CHF 229.8 million in 2022.

With the proposed ordinary dividend of CHF 3.00, Vontobel is offering shareholders an attractive dividend yield of 5.5 percent (based on a year-end share price of CHF 54.50). Vontobel's strong capital ratios, which far exceed the regulatory minimum requirements defined by FINMA and our own targets, will enable us to achieve organic growth in the future and provide additional financial flexibility for potential acquisitions. Our sustained profitability in recent years also forms the basis for the solid return on equity in the performance period from 2021 to 2023. The average return on equity in these three years was 13.5 percent. The average BIS total capital ratio was 23.5 percent. Consequently, the multiplier for performance shares from the 2020 bonus, which will vest in spring 2024, is 135 percent.

Say-on-pay
Our shareholders approved all of the compensation proposals at the General Meeting of Shareholders 2023. The fixed compensation of the Board of Directors was approved by 95 percent of shareholders. The proposed fixed compensation of the Executive Committee was approved by 96 percent and the proposed bonus by 95 percent of shareholders. At the General Meeting of Shareholders 2024, you, our shareholders, will once again be given a prospective vote on fixed compensation and a retrospective vote on variable compensation. At Vontobel, you vote on the actual compensation amounts, meaning that you retain full control over the compensation that is paid out. We are asking you to approve it at the General Meeting of Shareholders of April 9, 2024.

Outlook
Vontobel wouldn't be Vontobel if we didn't constantly look to the future. We are committed to securing Vontobel's success, both today and in the long term. This entrepreneurial tendency to look to the future is even more important as the world, our society and our clients change ever more rapidly due to the emergence of new opportunities in a digitized world. Consequently, one of the core functions of any Board of Directors is to constantly think about the company's long-term future and to take proactive steps to achieve continued improvements and become even more successful. A company that fails to attract new customers, grow and generate an appropriate return for its owners will not survive in the long term. At Vontobel, we want to continue to build on stable foundations and grow steadily. This is also reflected in our ambitious capital market targets. We also have a clear vision of how we intend to achieve these goals. By 2030, we want to be one of the leading and most respected investment firms that can attract, recruit, develop and retain outstanding talent that is a good fit for Vontobel. Our long-term ambition for 2030 remains unchanged. To help achieve it, the company will focus on four priorities over the next two years:

1. Delivering future-proof investment solutions
2. Delivering best-in-class private clients experiences
3. Accelerating our US growth
4. Scaling value creation

On behalf of Vontobel and the members of the Nomination and Compensation Committee, I wish to thank you for your trust and support, as well as for your feedback, which are greatly valued.

Bruno Basler
Chairman of the Nomination
and Compensation Committee

Compensation philosophy and how it is linked to Vontobel's strategy

Introduction
Vontobel is a globally operating investment manager with Swiss roots. We have a long-term commitment to our employees and shareholders. Our philosophy is to promote a performance-oriented culture, to foster teamwork and to take a prudent approach to risk. We encourage entrepreneurial spirit and empower our people to take ownership of their work and bring opportunities to life. We want each individual to have the courage to express an independent perspective, even if that goes against the consensus view.

We firmly believe that every single employee makes a significant contribution to creating the Vontobel experience. Appropriate and fair compensation for our employees and compliance with local regulatory requirements in the markets in which we operate are important elements of our strategy.

We do not endorse any form of discrimination. All of our employment decisions, including compensation decisions, are based on the person's function, qualifications, performance and conduct, or other objective, legitimate business considerations.

Link between Vontobel's corporate values and the compensation system
We strive to conduct our business responsibly on basis of concrete values. Our goal is to generate significant benefits for our customers by seizing opportunities. We also want to achieve this goal by shaping each individual customer experience on our own responsibility. Our core values guide us in our efforts to achieve this purpose and vision:

Driven by an ownership mind-set, we stand for empowerment and personal responsibility.

Our compensation structures place a significant emphasis on ownership through performance assessment criteria that consciously seek to reward behavior consistent with the desired ownership mindset. Share ownership is also a key element of our incentive structures.

We embrace independent thinking to capitalize upon the future. To do so, we promote creativity to develop insights that translate into opportunities that make a difference.

We encourage our employees to consider both the long-term impact of their decisions and the sustainability of the results generated. We determine variable awards based on long-term metrics. We also reinforce this view through the focus on share ownership at Vontobel.

Determined to deliver, we stay on course in a changing world. We are determined to overcome hurdles in order to put our clients ahead. We go the extra mile. We constantly improve and learn to work ever smarter.

We encourage this mindset in our employees through non-financial performance assessment criteria.

Link between Vontobel's strategy and the compensation system

All Vontobel employees should be rewarded for their commitment and contribution. For this reason, our compensation principles link Vontobel's strategic priorities with each individual's total compensation package:

Priorities 2023–2024

1. Deliver future-proof investment solutions
2. Deliver best-in-class private client experiences
3. Accelerate our US growth
4. Scale value creation

Compensation principles

- Pay for performance: A comprehensible overall compensation system that rewards contributions.
- Drive culture: Promote an ownership mind-set and courage. Foster performance- and team-oriented culture.
- Aligned and long-term oriented: Take account of the long-term interests of clients, employees, shareholders and the company.
- Competitive: Offer competitive compensation to attract and retain talent.
- Compliant: Commitment to comply with legal and regulatory requirements. Promote risk-consciousness and prevent conflict of interest.

Core principle of "Pay for Performance"

The principle of "Pay for Performance" lies at the heart of Vontobel's overall compensation system. This means that excellent employee performance and contributions to the long-term success of Vontobel are rewarded. The compensation system is designed to motivate employees at all levels of the company and is geared towards incentivizing future performance while not inducing excessive risk-taking.

Our guidelines are:

- There should always be a strong correlation between total compensation and the annual performance of the business and of the individual.
- Performance depends on various factors and is therefore variable. Consequently, we pay for performance through variable compensation elements.
- We incentivize the right behavior and reward employees who live the Vontobel experience.
- Strategic investments are important to ensure employee retention, meet business objectives or access new markets.
- In case of termination or misconduct no bonus is paid.

Compensation components

We are committed to providing each employee with a total compensation package that is fair, competitive, future-oriented and tailored to the role of the individual. The overall level of pay is in line with market practices and is linked to Vontobel's operational profitability. While the exact structure depends on the employee's function and location, the total compensation package generally consists of fixed and variable components, as well as social benefits.

Base salary

The fixed base salary is the foundation of each individual's total compensation package. The goal of the base salary is to provide a solid fixed income for the respective function.

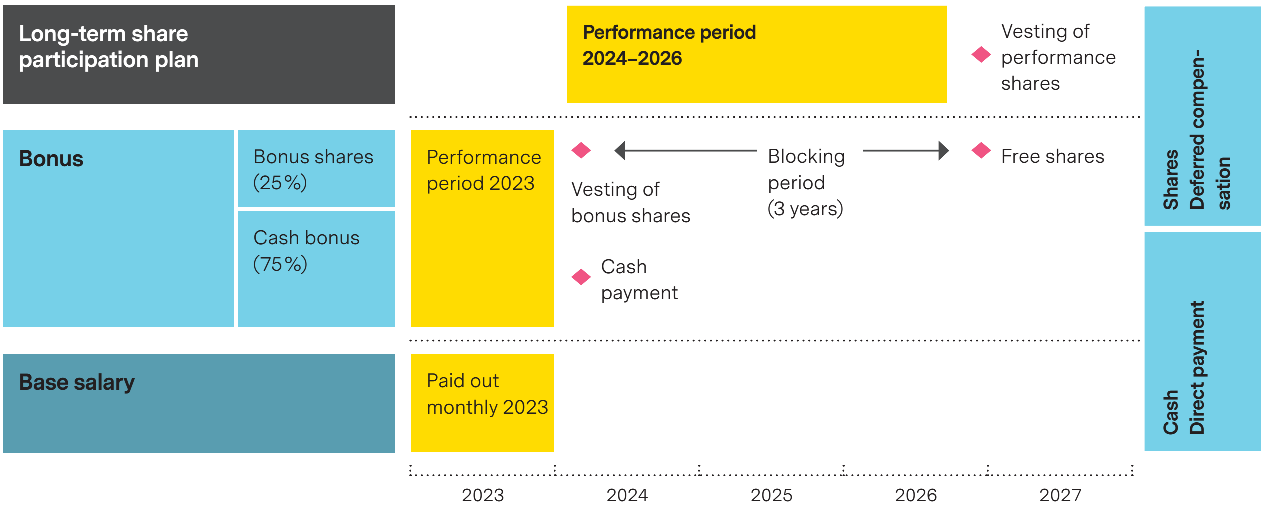
Variable compensation

While the base salary secures the employee's standard of living, variable compensation serves the purpose of motivating employees to strive for exceptional long-term performance. The variable component is split into bonus (cash or deferred) and long-term incentives. Variable pay is based on the performance at Group level down to the level of the Client Unit / Center of Excellence and entity as well as the indvidual's performance.

Variable compensation is influenced by various key objectives:

- Attract and retain highest-quality talents
- Promote Vontobel values
- Ensure compliance with external regulations
- Secure affordability for the company

Overview of employee compensation components:



Bonus

We want to recognize employees who deliver outstanding results and contribute to the realization of business goals. The bonus is a short-term award that serves this purpose since it rewards employees for the contributions they made during the financial year. The bonus is generally paid out in the first quarter of the year, on a retrospective basis for the previous year.

Employees who receive a cash bonus can choose if they want to invest 25 percent of their cash bonus in bonus shares. Participation is therefore voluntary except in the case of certain employees who are subject to a mandatory investment requirement (e.g. management, high-risk functions, cash bonus above threshold). For employees who participate in long-term incentive plans (LTIs), a portion of the bonus is deferred by investing a defined amount in Vontobel shares (i.e. bonus shares). Since participants become Vontobel shareholders, the deferred bonus is a crucial element of our ownership mindset.

To avoid any real or perceived conflicts of interest, short-term incentives for employees working in control functions are not calculated solely on the basis of financial metrics, instead they take account of the achievement of function-specific non-financial key performance indicators.

Long term incentive

Since each employee is important to Vontobel's overall success, we believe that each individual should participate in long-term value creation. In 2004, we therefore implemented an LTI that encourages ownership, foresight and tenacity and motivates each employee to deliver the edge.

In addition to the global LTI, variations of this plan were introduced to meet regional regulatory requirements, e.g. the inclusion of fund investments in the plan.

The main components that form part of all Vontobel LTIs are Bonus Shares and Performance Shares:

Bonus Shares

Promote ownership through bonus shares: Employees receive the deferred bonus in shares of Vontobel Holding AG at a discounted price of 80 percent of the relevant market price. The shares are immediately transferred into the ownership of the individual but the recipient is required to hold the shares for a period of three years. During this period, the individual is also entitled to receive dividend payments.

Performance Shares

Incentivizing future performance through performance shares: With the allocation of bonus shares, employees also receive a prospective entitlement to performance shares that they can exercise after a period of three years. The performance shares are transferred free of charge and there are no sales restrictions.

The amount of performance shares depends on Vontobel's average return on equity (ROE) and average risk profile (BIS Total Capital Ratio). The multiplier resulting from these two parameters is defined using the average over the relevant performance period of three years. This ensures that the achievement of a high return on equity in combination with a low risk profile is rewarded more generously than the achievement of a high return on equity in combination with a high risk profile. Every LTI participant will thus benefit from the discounted price of the shares, the dividends on the bonus shares as well as from the additional performance shares that are offered free of charge.

The number of performance shares is determined on a purely formulaic basis and therefore theoretically has no maximum limit. We have therefore introduced for this component of Executive Committee compensation – the only one not subject to the discretionary governance process – a cap of 250 percent on the multiplier used for the calculation of performance shares as from 2019. This cap applies solely to members of the Executive Committee for reasons of relevance and due to the impact on the risk / return tradeoff practiced by this managing body.

Link between variable components and the principle "Pay for Performance"

Link between the bonus and pay for performance

Our bonus system creates a high degree of transparency since all decisions are based on the performance of Vontobel, the Client Units / centers of excellence and the individual. Consequently, the individual's cash bonus is entirely dependent on the performance achieved across these areas during the financial year.

Link between the share plans and pay for performance

As a result of the investment of the bonus and the deferral of the award, the benefit is closely linked to both individual performance and the performance of Vontobel's business. Since employees are not allowed to sell their shares for three years (i.e. "blocked shares"), the actual benefit they realize depends on the development of the share price. In addition, the amount of additional performance shares varies in line with Vontobel's performance. In conclusion, each employee's benefit is dependent on the sustainable performance of the business at two levels.

		DISCRETIONARY INDIVIDUAL BONUS	BLOCKED BONUS SHARES	PERFOR-MANCE SHARES
Perfor-mance	Individual	✓	✓	✓
	Client Unit / Center of Excellence	✓	✓	✓
Time Horizon	**Retrospective** for performance delivered	✓	✓	
	Prospective Investment in future performance of the business		✓	✓

Governance

Compliance with regulatory requirements

We are committed to complying with regulatory requirements at all times and in all the regions where we do business. Due to the variety of countries in which Vontobel is represented, various regulatory frameworks governing compensation need to be taken into account. For example, Vontobel follows the AIFMD, UCITS, CRD IV and MiFID regulations in the EU and in Switzerland, the provisions of the Swiss Code of Obligations on remuneration for listed companies (Art. 732 et seq. CO). Additionaly, Vontobel has voluntarily chosen to adhere to the FINMA remuneration principles in accordance with best practice.

The Board of Directors is responsible for ensuring that Vontobel's principle to always complying with all applicable regulations and even exceeding the minimum requirements in key territories is observed. In addition, the Board of Directors is responsible for ensuring that the compensation policy and level of pay do not expose Vontobel to an unacceptable level of risks.

The individual nature of the regulations that apply to Vontobel entities means that local policies may apply within the scope of this global policy and that these local policies may need to be amended whenever the regulatory landscape changes.

Responsibility for Vontobel's compensation system

To follow these principles, governance roles and responsibilities are clearly defined and shared across the organization:

- **Shareholders:** The General Meeting votes on the total compensation awarded to the Board of Directors (BoD) and the Executive Committee. The General Meeting also elects the members of the Nomination and Compensation Committee (NCC).
- **External auditors:** The external auditors review the financial statements, including compensation-related figures that are disclosed in the annual report.
- **Board of Directors:** The Board of Directors (BoD) delegates selected tasks to the Nomination and Compensation Committee (NCC), oversees all compensation related matters and has the final decision-making power. The Board of Directors is ultimately responsible for the compensation policy and its implementation, with responsibilities being delegated to the Nomination and Compensation Committee.
- **Nomination & Compensation Committee (NCC):** The NCC oversees Vontobel's entire total compensation system. End of year, the Nomination and Compensation Committee proposes the annual bonus pool to the Board of Directors and maintains an ongoing dialogue about the performance development with managers throughout the year.
- **Executive Committee:** The CEO makes a proposal to the Nomination and Compensation Committee each year regarding the compensation of the Executive Committee.
- **Internal Audit:** The role of Internal Audit is to contribute to the integrity of the entire process and to ensure it is comprehensive and adapted to the scale and complexity of the company. One of the goals of Internal Audit is to make sure that the compensation system does not define incentives that could lead to conflicts of interest. Internal Audit therefore acts completely independently and reports directly to the Board of Directors and regulary to the Risk and Audit Committee (RAC).
- **Control functions:** Human Resources, Finance, the Risk and Audit Committee and other control functions are involved in the oversight, design and allocation of employee incentives.
- **Heads of CU/CoE:** The management of each Client Unit / Center of Excellence has a say in the total compensation package of the individual employees, including the allocation of variable compensation. Ongoing reviews and annual overall assessments are carried out.
- **Line Managers:** They provide support and guidance and communicate decisions to employees. Managers with responsibility for compensation matters play an integral role in salary discussions and propose bonuses.
- **Individual employees:** Each employee is responsible together with his line manager for setting his own goals and aligning them with the Vontobel experience. The individual collects regular feedback and engages in an ongoing dialogue about individual development.

Say-on-pay motions proposed to the General Meeting of Shareholders 2024

Overview of responsibilities for compensation and decision-making processes
The Board of Directors has overall responsibility for Vontobel's human resources policy and consequently also for its compensation policy. The Nomination and Compensation Committee (NCC) supports the Board of Directors in determining Vontobel's compensation principles and defining its compensation strategy. The NCC oversees the compensation of the Board of Directors, the Chairman of the Board of Directors, the members of the Executive Committee and the CEO, as well as basic elements of the compensation of all Vontobel employees.

RECIPIENT OF COMPENSATION	PROPOSED BY	DECISION ON PROPOSAL TO GENERAL MEETING	APPROVAL AT GENERAL MEETING
Board of Directors	NCC	Board of Directors	Shareholders
Chairman of Board of Directors	NCC	Board of Directors	Shareholders
Members of the Executive Committee	CEO / NCC	Board of Directors	Shareholders
CEO	Chairman of the BoD / NCC	Board of Directors	Shareholders

Activities in other undertakings

BOARD OF DIRECTORS	ACTIVITIES IN COMPANIES WITH A COMMERCIAL PURPOSE AND OTHER LEGAL ENTITIES ENTERED IN THE COMMERCIAL REGISTER
Andreas E.F. Utermann	– Member of the Board of Directors SIX Group AG and SIX Exchange Group AG, Zurich, Switzerland – Governor, Birkbeck, University of London, London, UK – Trustee, FT Financial Literacy and Inclusion Campaign, London, UK – Governor, North London Collegiate School, London, UK
Bruno Basler	– Chairman of the Board of Directors of EBP Schweiz AG and EBP Global AG, Zurich, Switzerland – Member of the Board of Directors NorthStar Holding AG, Roggwil, Switzerland – Vice-Chairman of the Board of Directors of Baumann Federn AG, Rüti, Switzerland – Chairman of the Monique Dornonville de la Cour Foundation, Zurich, Switzerland
Dr. Maja Baumann	– Chairwoman of the Board of Directors of SwissLegal Zurich AG and SwissLegal Schwyz AG, Zürich and Pfäffikon, Canton of Schwyz, Switzerland – Chairwoman of the Board of Directors of Advontes AG, Pfäffikon, Canton of Schwyz, Switzerland – Member of the Board of Directors Vontrust AG, Zurich, Switzerland – Member of the Board of Directors Swisspearl Group AG, Niederurnen, Switzerland – Member of the Board of Directors GRAPHA-Holding AG, Hergiswil, Switzerland – Member of the Foundation Board of the Vontobel Foundation, Zurich, Switzerland – Chairwoman of the Zoo Foundation Zurich, Zurich, Switzerland
Dr. Elisabeth Bourqui	– Member of the Board of Directors Banque Cantonale Neuchâteloise, Neuchatel, Switzerland – Chairwoman of the Board of Directors of Helsana HealthInvest AG, Dübendorf, Switzerland – Member of the Supervisory Board of Athora Netherlands N.V., Amstelveen, Netherlands – Member of the Board of Directors RUAG MRO Holding AG, Bern, Switzerland – Member of the Board of Directors compenswiss, Geneva, Switzerland – Member of the Board of Directors Swiss-Japanese Chamber of Commerce, Zurich, Switzerland – Member of the Foundation Board of Greenbix Investment Foundation Lucerne, Switzerland – Member of the Board of Trustees of the Louis Jeantet Foundation, Geneva, Switzerland
David Cole	– Chairman of the Supervisory Board of IMC B.V., Amsterdam, Netherlands – Chairman of the Supervisory Board of NN Group N.V., The Hague, Netherlands – Member of the Board of Directors COFRA Holding AG, Zug, Switzerland
Dr. Michael Halbherr	– Chairman of the Board of Directors and interim CEO of ABB E-mobility Holding AG, Baden, Switzerland – Member of the Board of Directors of Zurich Insurance Company Ltd. and Zurich Insurance Group Ltd., both Zurich, Switzerland – Chairman of the Supervisory Board of German Bionic Systems, Augsburg, Germany – Chairman of Nanoleq AG, Rümlang, Switzerland
Stefan Loacker	– Member of the Board of Directors Swiss Life AG and Swiss Life Holding AG, Zurich, Switzerland – Member of the Board of Directors SWICA, Winterthur, Switzerland – Member of the Executive Committee of the Institute of Insurance Economics at the University of St. Gallen, Switzerland
Clara C. Streit	– Member of the Supervisory Board of Deutsche Börse AG, Frankfurt, Germany – Chairwoman of the Supervisory Board of Vonovia SE, Bochum, Germany – Member of the Board of Directors of Jerónimo Martins SGPA, SA, Lisbon, Portugal – Chair of the Government Commission on the German Corporate Governance Code, Frankfurt am Main, Germany

Björn Wettergren	– Member of the Board of Directors Vontrust AG, Zurich, Switzerland – Vice-Chairman of the Board of Directors of the Swedish-Swiss Chamber of Commerce, Zurich, Switzerland – Chairman of the Board of Directors of Cagson AG, Baar, Switzerland – Chairman of the Board of Directors of Cagson Analytics AG, Zurich, Switzerland
EXECUTIVE COMMITTEE	
Dr. Zeno Staub	– Member of the Board of Directors of the Swiss Bankers Association, Basel, Switzerland (until the end of 2023) – Vice-Chairman of the Board of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland (until the end of 2023) – Member of the Board of Directors Bühler Holding AG, Uzwil, Switzerland – Member of the Swiss Society of Financial Market Research, St. Gallen, Switzerland – Member of the Board of Trustees of the Max Schmidheiny Foundation, St. Gallen, Switzerland – Member of the Management Board of the Gottfried Keller Society, Zurich, Switzerland
Dr. Thomas Heinzl	– None
Dr. Maria-Antonella Bino	– Substitute Federal Judge at the Federal Criminal Supreme Court, Bellinzona, Switzerland – Chair of the Lawyers Group of the Association of Swiss Asset and Wealth Management Banks (VAV), Zurich, Switzerland, and representative of VAV in the Lawyers Groupf of the Swiss Bankers Association
Felix Lenhard	– None
Dr. Christel Rendu de Lint	– Member of the Board of Directors of the Asset Management Association Switzerland (AMAS)

In accordance with the Articles of Association of Vontobel Holding AG (see Article 31: www.vontobel.com/en-ch/about-vontobel/investor-relations/annual-general-meeting) and the provisions of the Swiss Code of Obligations on remuneration for listed companies (Art. 732 et seq. CO), Vontobel discloses the compensation awarded to members of the Board of Directors and members of the Executive Committee and puts it to the vote at the General Meeting of Shareholders.

The Board of Directors will hold the following votes on compensation at the General Meeting of Shareholders of April 9, 2024:

Voting on compensation

	2021	2022	2023	2024	2025	2026
Consultative vote on Compensation Report 2023			Compensation system and governance			
Maximum aggregate fixed compensation of members of Board of Directors for forthcoming term of office				Compensation period		
Maximum aggregate fixed compensation of members of Executive Committee for period from 1 July 2024 to 30 June 2025				Compensation period		
Maximum aggregate performance-related compensation of Executive Committee for prior financial year that has ended			Performance period			
Additional amount for performance shares of the Executive Committee, which relate to bonus shares for 2020 (approved at the General Meeting of Shareholders 2021) and will vest in 2024.	Performance period					
Maximum aggregate amount for performance shares 2024–2026 of Executive Committee				Performance period		

= General Meeting

In the event of one or more motions being rejected at the General Meeting of Shareholders 2024, the Board of Directors is required to call a new General Meeting within six months and to propose new motions for the approval of compensation to shareholders.

Nomination & Compensation Committee (NCC)

The NCC consists of at least three members of the Board of Directors, who are elected each year by the General Meeting of Shareholders. In 2023, the NCC comprised the independent Board members Andreas. E.F. Utermann, Bruno Basler (Chairman of the NCC), Dr. Michael Halbherr and Clara C. Streit, as well as the non-independent Board member Björn Wettergren. Björn Wettergren represents the fourth generation of the Vontobel and de la Cour families.

The NCC maintains an intensive dialogue with management throughout the year and generally holds at least four meetings during that period. Each year, the extent to which Group-wide performance objectives have been achieved in quantitative and qualitative terms, as well as the CEO's proposal concerning the size of the variable bonus pool for the entire Group, are discussed in detail. The CEO and occasionally also the Head of Human Resources provide the NCC with explanations and advice on this matter. The CEO is not present during the part of the meeting when his compensation is determined.

Benchmarks

We consider it necessary to offer competitive compensation in order to attract and retain talented professionals over the long term. The NCC therefore reviews the compensation levels of all employees once each year. During this process, compensation levels and structures are compared with those of similar positions in Vontobel's peer group in the finance industry. The NCC uses comparative data from publicly accessible sources, information provided by renowned market data providers and talent recruitment information for this purpose. The results of this compensation comparison are used, among other things, as the basis for determining individual compensation.

The current peer group used to assess the appropriateness of our compensation is shown below:

Peer group

Switzerland	EFF, DWS, Julius Baer, Lombard Odier, Pictet, UBS, Allianz Global Investors
UK	Fidelity International, Barclays, HSBC
USA	Alliance Bernstein, Nuveen Investments, Wellington Management, Citigroup, JPMorgan

Vontobel Bonus pool

The bonus pool is used to finance the bonus of the Executive Committee and employees. It is determined using the following three-stage process:

Financial performance

The bonus pool is accrued each month based on financial performance.

Profit before taxes and before variable compensation of the Group and individual CU/CoE have the largest influence on the bonus pool.

Growth- and future-oriented key figures such as net new money and investment performance also have a direct influence on the bonus pool.

→

Other performance indicators

Progress in implementing the strategy

Conduct, leadership and development of the organization

Relative performance compared to peer group

→

Overall evaluation

The NCC carries out a comprehensive evaluation and reviews Vontobel's market positioning as well as the long-term creation of value in order to formulate the final proposal regarding the bonus pool that is submitted to the Board of Directors for approval.

Vontobel Asset Management in the US and TwentyFour Asset Management in the UK have their own compensation systems and receive variable compensation that is not part of the bonus pool.

Allocation of bonus

The allocation of the total bonus pool to the individual Client Units and centers of excellence (areas) is managed by the CEO using a clearly defined process. The following elements form the basis for the allocation of a bonus pool:
- **Vontobel Bonus Pool:** the available total bonus pool approved by the Board of Directors
- **Area Base Line:** is the starting point for the bonus allocation and is based on a "same for same" bonus simulation. This takes into account the change in number of employees, the results of external and internal market studies and the results of the equal pay analyses, but not the performance of the respective area.
- **Area Performance Score:** is the result of the annual assessment of the individual Client Units and centers of excellence. The performance score is the result of the following parameters:
  Performance metrics: "what has been achieved" measures the achievement of specific predefined key performance indicators (KPI's)
  Health & ESG metrics: "does it contribute to the long-term development of Vontobel" measures the contribution to the corporate strategy/business plan (lighthouse) using the predefined key figures (quantitative, qualitative and ESG KPI's).
  Risk & Compliance metrics: "how has it been achieved" measures the achievement of specific risk indicators as well as qualitative risk behavior.

Within the Client Units and the centers of excellence, an individual's discretionary variable bonus is also determined using quantitative and qualitative assessment criterias that are relevant to the individual's respective function. The quantitative components include the respective current profitability of Vontobel as well as the profitability and growth achieved by the Client Unit / Center of Excellence. In addition, the bonus amount depends to a significant extent on the employee's actions over the course of the year; responsible conduct is of particular importance in this regard. The bonus is reviewed annually and is usually paid in the first quarter of each year. The bonus is determined each year by the merit managers and is subject to approval by the Global Executive Board, CEO and corresponding Area Head.

External consultants

Vontobel obtains anonymized comparative data from external compensation consulting firms such as Willis Towers Watson and AON McLagan, as well as Kienbaum. This information serves as an important basis when determining compensation – especially in an environment characterized by significant market and regulatory changes.

In the case of our entities outside Switzerland, we obtain advice from Mercer LLC on pension and social benefits.

The NCC has commissioned PricewaterhouseCoopers AG (PwC) to provide independent advice and support with regard to the review and further development of our compensation model as well as in respect of general compensation-related questions such as changes in international guidelines and rules.

The above mentioned consultant have other mandates within Vontobel. However, these other mandates are performed outside the Compensation and Benefits unit.

Periodic review of the system

The Compensation Regulations (regulations governing Vontobel's share participation plan, including the related brochure) were approved by the Board of Directors of Vontobel Holding AG on December 16, 2004 and continue to apply in their current form. Each year, the compensation system is discussed by the NCC from various perspectives.

Base salaries and annual variable compensation are the subject of carefully prepared decisions by our management bodies. Only our Long Term Incentive Program, which comprises performance shares, is calculated on a purely formulaic basis and theoretically has no upper limit. For this reason, the NCC decided in 2018 to introduce a cap of 250 percent on the multiplier used for the calculation of performance shares for members of the Executive Committee from 2019 (applicable for the first time to the performance period 2019 to 2021).

In 2016, the NCC approved the introduction of a Variable Compensation Agreement (VCA) for individual employees that also reflects regulatory requirements in the European locations in which Vontobel operates. The Executive Committee is not affected by this arrangement.

Change of control clauses

The contracts of members of the Board of Directors (including the Chairman) and the Executive Committee (including the CEO) do not make provision for any agreements in the case of a change of corporate control (referred to as change of control clauses). In the event of a change of control, any entitlements arising from the share participation plan will, however, be met immediately if the plan cannot be continued.

Notice periods and severance agreements

Vontobel Holding AG or companies controlled by it may conclude mandate agreements or employment contracts of limited or unlimited duration with members of the Board of Directors. The duration and termination of such agreements are based on the term of office and applicable law.

Vontobel Holding AG or companies controlled by it may conclude employment contracts with members of the Executive Committee. Employment contracts of limited duration are subject to a maximum duration of one year but may be renewed. The maximum notice period for employment contracts of unlimited duration is 12 months. If the employment relationship is terminated, the company or companies controlled by it may release a member of the Executive Committee from his duties with immediate effect and/or conclude a termination agreement.

In principle, the employment contracts of Vontobel employees (including members of the Executive Committee) are subject to a notice period of a maximum of six months. In the case of the Chairman of the Board of Directors, notice must be given in the fourth quarter of the relevant year. The contracts concluded with the members of the Board of Directors (including the Chairman) and the members of the Executive Committee (including the CEO) do not contain any clauses relating to severance payments.

Loans to governing bodies

In accordance with the Articles of Association of Vontobel Holding AG (see Article 33: www.vontobel.com/en-ch/about-vontobel/corporate-governance/corporate-governance-regulations) the company may grant a member of the Board of Directors or a member of the Executive Committee credits and loans at standard market rates or generally applicable employee terms and conditions up to an amount of CHF 50 million.

To the extent permitted by law, the company may grant an advance to members of the Board of Directors or members of the Executive Committee to cover court costs and lawyers' fees in connection with legal proceedings, lawsuits or investigations – whether under civil, criminal or administrative law or of another nature – that are connected with their duties or with the fact that they are or were members of the Board of Directors or the Executive Committee.

Compensation of the Board of Directors

Compensation system

Compensation principles
The range of duties performed by a bank's Board of Directors is prescribed by law and by the financial market supervisory authority. The overall supervision and direction of the company are the non-transferable and irrevocable duties of the Board of Directors in its capacity as the supervisory and defining body. A Swiss Board of Directors has an extended range of responsibilities, duties and powers compared to Boards of Directors in other countries. The Board of Directors of Vontobel should be able to perform the overall direction and supervision of the company without restriction. It is also intended to serve as a credible counterbalance to the Executive Committee and should be able to act independently. Based on this, Vontobel has defined the following compensation principles for its Board of Directors:
- Competitive compensation that reflects the competences and experience of members of the Board of Directors and the value they contribute
- It consists exclusively of fixed compensation
- Participation in the long-term performance of the company through shares

The compensation proposed to the General Meeting of Shareholders is decided by the Board of Directors.

Compensation components
The compensation of the members of the Board of Directors consists of the following components:

Duties and roles
Board of Directors
The Board of Directors defines the business strategy and formulates guiding principles for the bank's corporate culture. It signs off the company-wide risk management framework and is responsible for issuing regulations, establishing and monitoring an effective risk management function, and managing overall risks. Furthermore, the Board of Directors establishes a suitable organizational structure and has ultimate responsibility for the company's financial position and development. The Board of Directors is responsible for ensuring that the company has an appropriate number of employees and other resources (e.g. infrastructure, IT) and for its human resources and compensation policies. It oversees the work of the Executive Committee and is, among other things, responsible for ensuring that there is both a suitable risk and control environment within the company. In this way, it has a decisive influence on the strategy, structure and culture of Vontobel. In order for the Board of Directors to perform these duties credibly and to act independently from the Executive Committee, it must be composed of qualified and experienced members, while ensuring an appropriate level of diversity.

COMPENSATION COMPONENTS

Fixed fee	50% paid in cash	The fixed fee for the mandate as a member of the Board of Directors of Vontobel Holding AG is paid half in cash and half in shares.
	50% paid in shares	The allocation of shares that are blocked for a period of three years serves as a long-term incentive, resulting in an alignment with shareholder interests. Members of the Board of Directors thus participate in the long-term success of the company and the long-term performance of the Vontobel share. Shares are allocated at an accepted value of 80% of the average price in the month of December of the year prior to the year in which the payment is paid out. These shares may not be sold, pledged or transferred during the blocking period.
Further fees	100% paid in cash	The fee for the mandate as a member of the Board of Directors of Bank Vontobel AG, which is controlled by Vontobel Holding AG, and the daily fees/meeting attendance allowance as well as expenses are paid 100% in cash.
Pension payments (only for the Chairman of the Board of Directors)		The Chairman of the Board of Directors has an ordinary employment relationship in Switzerland. He therefore receives statutory pension fund benefits like all other employees. The other members of the Board of Directors do not receive pension fund benefits.

Chairman of the Board of Directors
The Chairman presides over the Board of Directors as a whole and represents it internally and externally. The Chairman has a key role in shaping Vontobel's strategy, communication and culture. With the election of Andreas E.F. Utermann at the 2022 General Meeting, Vontobel has a strong and experienced Chairman who exercises a central function within the Board of Directors on a full-time basis. As in previous years, his compensation was set at CHF 2.5 million, which – based on a multi-year average – corresponds to the level of compensation of a member of the Executive Committee.

The fixed aggregate compensation of members of the Board of Directors, including the Chairman of the Board of Directors, which is proposed to the General Meeting of Shareholders for the forthcoming term in office includes a reserve for the following other compensation components: Employer contributions to the pension fund and supplementary fund, daily fees and meeting attendance allowances. The amount that serves as the basis for the vote on compensation does not include social security contributions (AHV, ALV, IV) or additional advisory fees that are unrelated to the function as a member of the Board of Directors and are disclosed separately in the Annual Report.

Actual compensation (audited information)

Compensation for the financial year
For the financial year 2023, compensation totaling CHF 4.5 million (previous year CHF 4.5 million) was paid to the members of the Board of Directors. Of this sum, CHF 2.6 million was paid in cash and CHF 1.7 million in the form of share-based compensation.

Compensation of the members of the Board of Directors for the financial year (pursuant to Art. 663b^{bis} of the Swiss Code of Obligations)

NAME	FUNCTION	COMPENSATION PAID IN CASH CHF 1,000	COMPENSATION PAID IN SHARES[1] CHF 1,000	OTHER COMPENSATION CHF 1,000	2023 TOTAL FIXED COMPENSATION CHF 1,000	2022 TOTAL FIXED COMPENSATION CHF 1,000
Andreas E.F. Utermann[3]	Chairman	1,250.0	1,250.0	155.6[2]	2,655.6	1,915.3
Bruno Basler	Vice-Chairman	213.5	60.0		273.5	264.3
Dr. Maja Baumann	Member	153.5	60.0		213.5	208.5
Dr. Elisabeth Bourqui	Member	189.5	60.0		249.5	208.3
David Cole	Member	179.3	60.0		239.3	228.3
Dr. Michael Halbherr	Member	146.5	60.0		206.5	203.5
Stefan Loacker	Member	153.5	60.0		213.5	208.5
Clara C. Streit	Member	147.5	60.0		207.5	204.5
Björn Wettergren	Member	189.5	60.0		249.5	204.5
Total		**2,622.8**	**1,730.0**	**155.6**	**4,508.4**	**3,645.6**
MEMBERS RESIGNED						
Herbert J. Scheidt[4]	Chairman					833.3

1 Allocation of shares of Vontobel Holding AG based at the price of CHF 41.86 (per share) that are subject to a holding period of three years, during which they cannot be sold.
2 Contribution to pension funds
3 Chairman of the Board of Directors since April 6. 2022
4 Retired from the Board of Directors on April 6, 2022

Additional fees, related parties and similar information
None.

Former members of the Board of Directors
Compensation paid to members of the Board of Directors who stepped down during or prior to the previous year: None.

Holdings of shares and options (audited information)

		31.12.2023	OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE		31.12.2022	OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE	
NAME	FUNCTION	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS
Andreas E.F. Utermann	Chairman	27,224			719		
Bruno Basler	Vice-Chairman	21,093			19,835		
Dr. Maja Baumann [1]	Member	7,921			6,663		
Dr. Elisabeth Bourqui	Member	6,782			5,524		
David Cole	Member	7,471			6,213		
Dr. Michael Halbherr	Member	1,977			719		
Stefan Loacker	Member	5,711			4,453		
Clara C. Streit	Member	13,551			12,293		
Björn Wettergren [1]	Member	7,675			6,417		

The calculation of the number of shares at the time of exercise reflects the exchange ratio of the respective options.
The above figures also include the share and option holdings of parties related to the members of Vontobel's governing bodies.
1 The figures stated do not include the indirect participations of members of the Board of Directors Dr. Maja Baumann and Björn Wettergren held through a group of shareholders ("shareholder pool") bound by a shareholder pooling agreement. Further information on the shareholder pool is provided in the Corporate Governance Report on page 31.

Loans to governing bodies (audited information)

As of December 31, 2023 loans and credits of CHF 2.4 million to members of the Board of Directors were outstanding (previous year: none). Of which the highest amount: Andreas E.F. Utermann, Chairman of the Board of Directors with CHF 2.4 million. As of December 31, 2023 and December 31, 2022 no fully secured loans and credits to related parties were outstanding. No loans to former members of the Board of Directors were outstanding that were not granted according to standard terms and conditions.

Compensation of the Executive Committee

Compensation system

Compensation principles

The principle of "Pay for Performance" applies at Vontobel. The compensation system was structured in such a way as to ensure that the level of compensation paid to the members of the Executive Committee tends to be lower than the market rate in the first few years after they join the company but can increase if a good performance is achieved over more than three years thanks to the share participation plan. As a result, the members of the Executive Committee tend to have a relatively low base salary but receive higher variable compensation – provided Vontobel and the Client Unit or Center of Excellence they oversee perform well.

In the allocation of variable compensation, quantitative and qualitative objectives are assigned equal weighting when measuring and evaluating performance. In this context, the NCC takes account of criteria including:

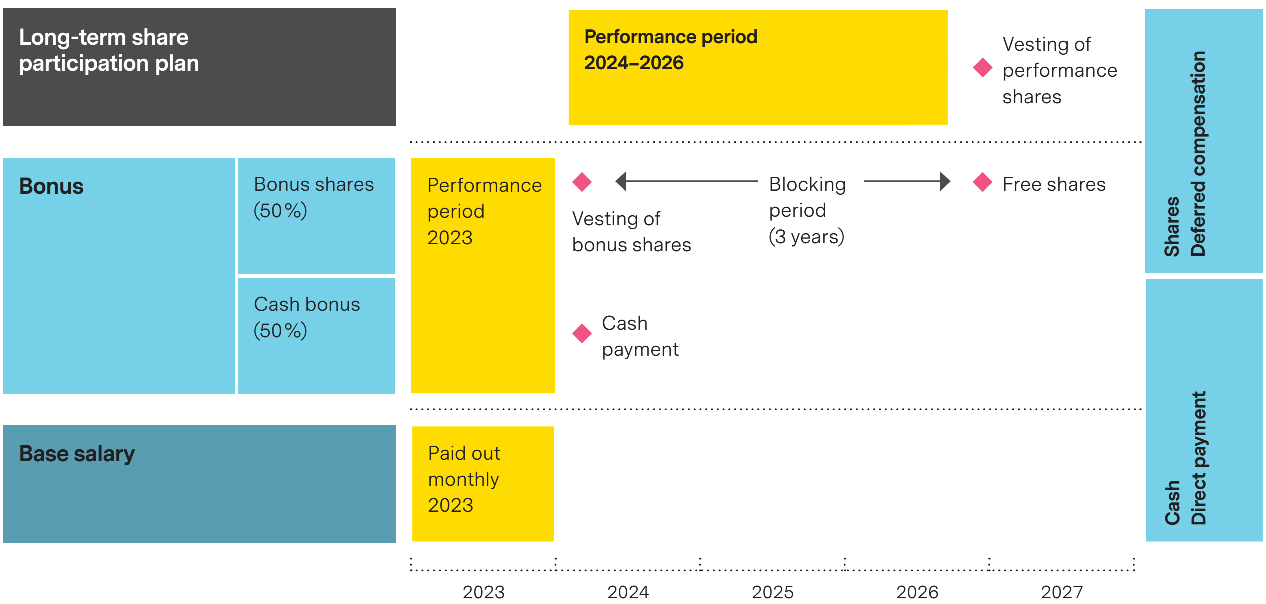
- Performance of each member of the Executive Committee
- Financial performance of Vontobel and the relevant Client Unit / Center of Excellence
- Performance measured in relation to the finance industry peer group
- Current market rates of compensation and efforts to achieve a compensation policy with a long-term focus, and
- Balanced distribution between groups of stakeholders

Formula-based compensation is not used for members of the Executive Committee at Vontobel. The Board of Directors reaches the final decision about the compensation proposals for the General Meeting of Shareholders at its own discretion.

Compensation components

The compensation of the Executive Committee consists of a fixed compensation component (annual base salary) and a variable compensation component (bonus and long-term share participation plan). The fixed compensation component is determined on the basis of the individual function. The variable compensation component is determined on the basis of collective and also individual performance. This approach is designed to ensure that the compensation of the Executive Committee is largely dependent on the achievement of ambitious performance objectives.

Overview of Executive Committee compensation components:



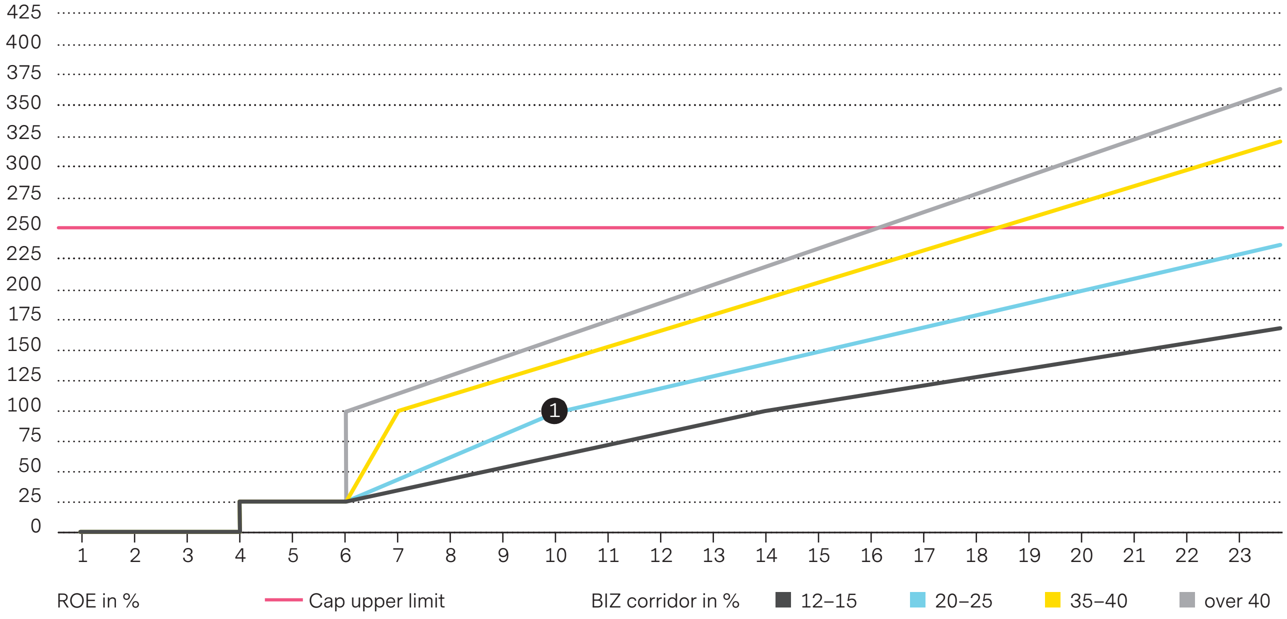
The compensation of the members of the Executive Committee consists of the following components:

COMPENSATION COMPONENTS

Base salary	100% paid in cash	The base salary of each member of the Executive Committee is determined individually. The level of base salary is in line with our international peer group and is generally lower than the base salaries paid by our Swiss peers.
Bonus	50% paid in cash (cash bonus)	The bonus is based on the collective and individual achievement of quantitative and qualitative objectives. The bonus is paid half in cash and half in bonus shares.
	50% paid in shares (bonus shares)	Bonus shares are allocated at an accepted value of 80% of the average price in the month of December of the year prior to the year in which the bonus is paid out. These shares are blocked for three years from the date of vesting and may not be sold, pledged or transferred during that period. If the company achieves a sustained good performance and its share price rises during the blocking period, the value of the bonus shares increases accordingly. However, if the share price falls, the bonus subsequently decreases – resulting in a dual financial loss for the member of the Executive Committee, since taxes have already been paid on the basis of the higher share price. This model ensures that members of the Executive Committee can participate in the successful performance of the company while also sharing the risks in the event of poor financial results. If the employment relationship is terminated, bonus shares that have already been allocated remain in the ownership of the individual members of the Executive Committee and continue to be subject to the blocking period even after the period of employment has ended. Further details of the share participation plan can be found in the brochure "Vontobel Share Participation Plan" at: www.vontobel.com/compensation-report.
Long-term share participation plan	100% paid in shares (performance shares)	Vontobel also pays part of its compensation in the form of long-term incentive components. They are paid in the form of registered shares of Vontobel Holding AG (performance shares) and are designed to promote loyalty to the company. Three years after receiving bonus shares, members of the Executive Committee are entitled to receive additional shares, known as performance shares (long-term incentive) if vesting conditions are met. This right depends on the performance of the business over the last three years, hence the name "performance shares", as well as on the number of bonus shares received. When determining the performance of the business, Vontobel's average return on equity (ROE) and average risk profile (BIS Total Capital Ratio) are taken into account. The multiplier resulting from these two parameters is defined using the average over the relevant performance period (the last three years or the last six half-year values) and is subject to a cap of max. 250% of the bonus shares obtained three years ago. This ensures that the achievement of a high return on equity in combination with a low risk profile is rewarded more generously than the achievement of a high return on equity in combination with a high risk profile. One condition for the vesting of performance shares is that an average Group-wide return on equity of at least 4% is generated over the relevant three-year period. In addition, the BIS Total Capital Ratio must exceed 12%. If one of these requirements is not met, all rights to performance shares lapse (see chart on the next page for further details). Performance shares are only awarded to members of the Executive Committee who remain in an employment relationship on which notice has not been served three years after they received the bonus shares. In this way, performance shares also play an important part in ensuring that the Executive Committee is focused on the stable and successful development of Vontobel over the long term and in promoting loyalty to the company.
Employee benefits		The members of the Executive Committee receive the same pension fund benefits as all other employees in Switzerland.
Other compensation		In general, the members of the Executive Committee do not receive any special additional benefits. They have the same additional benefits as all other employees in the location and the unit in which they work.

This chart shows the payout ratio for performance shares for selected BIZ ranges:

Payout ratios for performance shares
Performance shares as a % of bonus shares (multiplier)



If an average ROE of 10 percent is generated and the average BIS Total Capital Ratio is 20–25 percent, the member of the Executive Committee would, for example, receive 100 percent of the performance shares at the end of the three-year performance period based on the current perspective. This means that the member would receive the same number of shares as performance shares that he or she already received as bonus shares at the beginning of the performance period (see point 1 in chart). The payout ratio or the multiplier used for the calculation of performance shares (as shown above) is capped at a maximum of 250 percent for members of the Executive Committee.

Additional amount

If new members are appointed to the Executive Committee and take up their position at Vontobel after the General Meeting of Shareholders has approved the maximum aggregate amount of fixed compensation for members of the Executive Committee for the financial year concerned, an additional amount may be used for the compensation to be paid to these new members. In accordance with the Articles of Association of Vontobel Holding AG (see Article 33: www.vontobel.com/en-ch/about-vontobel/corporate-governance/corporate-governance-regulations) the additional amount for each compensation period and for each new member corresponds to 40 percent of the last approved maximum aggregate amount of fixed compensation of the Executive Committee. This additional aggregate compensation includes any compensation for disadvantages incurred in the course of a change of employment (sign-on bonuses). If the additional amount is not sufficient to compensate for these disadvantages, the amount of the sign-on bonus exceeding the additional amount must be submitted to the next Ordinary General Meeting for approval.

Objectives and their achievement

The Executive Committee has a sustained influence on the implementation of Vontobel's strategy and consequently on its business activities. In addition to this overall responsibility, the CEO and the other members of the Executive Committee are assigned quantitative and qualitative objectives, which are listed in the scorecard. Since each member of the Executive Committee performs a different function within the company, the objectives are individually aligned to the areas of responsibility of each member of the Executive Committee. In this context, the CEO's objectives serve as the basis for the individual objectives of the other members of the Executive Committee.

The following objectives were defined for the Executive Committee for 2023 and were evaluated by the Board of Directors:

QUANTITATIVE OBJECTIVES (50%)		EVALUATION[1]
Finance	– Achieve or exceed budget – Generate net inflows of new money – Enhance operating efficiency – Increase return on equity – Maintain capital position that significantly exceeds regulatory requirements	**Inconsistent performance**
Strategy	– Implement strategic growth initiatives and priorities based on the defined interim goals for growth – Further strengthen core competencies – Drive organic growth in target markets – Capture opportunities created by technology – Supplement growth through M&A	**Effective performance**

QUALITATIVE OBJECTIVES (50%)		EVALUATION[1]
Behaviour	– **Client focus** – always seek the best solution to deliver sustained success for our clients and Vontobel; strengthen client focus across all areas of Vontobel, especially through the implementation of specific customer journeys – **Results-driven approach** – achieve impact by focusing on objectives and results; think long term in order to realize sustainable and competitive growth – **Compliant conduct** – act with integrity and remain independent at all times; provide advice in accordance with our Code of Conduct and our guidelines and take appropriate account of risks; take comprehensive measures to guarantee continuous compliance with laws and regulatory requirements, with a particular emphasis on the recognition of risks related to money laundering; ensure the protection of client data and compliance with all applicable legal requirements	**Highly effective performance**
Leadership and development	– **Inspirational leadership** – recruit, retain, support and develop the best talent; define ambitious objectives and motivate employees to raise the benchmark for client service and quality of work; inspire others to deliver a top performance – **Transformative leadership** – demonstrate flexibility and be capable of leading in new operating conditions and adapting to them constructively; reach clear decisions and share them with the team – **Communication** – share own knowledge and experience with others; promote constructive collaboration as a team across functions and borders – **Diversity and Inclusion** – create an open and trustworthy environment that is free of prejudice and promotes diversity and equal opportunities	**Highly effective performance**

[1] Vontobel Evaluation Grid: 1 Unsatisfactory performance / 2 Inconsistent performance / 3 Effective performance / 4 Highly effective performance / 5 Outstanding performance contribution

Based on its performance in a challenging market environment during the year under review, the Executive Committee achieved or exceeded part of the objectives set for the financial year 2023. Financial objectives were the only targets where its performance was rated as "inconsistent" in 2023. The exceptional operating conditions for global active investment firms in 2023 adversely affected the achievement of financial objectives. Adjusted to reflect Vontobel's market focus, Wealth Management achieved pleasing growth in net new money of 5.7 percent, within Vontobel's target range. Asset Management recorded negative growth in net new money of –7.1 percent, as institutional investors generally stayed on the sidelines, tending to favor money market products when reinvesting or holding their funds in cash. In 2023, Vontobel generated a 2 percent increase in operating income to CHF 1,304.6 million compared to the previous year (2022: CHF 1,285.1 million). In view of the market environment, Vontobel delivered a robust Group net profit of CHF 214.7 million, down 7 percent from CHF 229.8 million in 2022.

In a challenging operating environment in 2023, Vontobel continued to generate a good return on equity of 10.5 percent on its strong capital base, although this was below its mid-term target of 14 percent. The CET1 capital ratio was 18.7 percent (end-2022: 16.7 percent). The Tier 1 capital ratio, which is identical to the total capital ratio at Vontobel, was unchanged at 23.8 percent. The capital ratios continue to substantially exceed the regulatory minimum requirements, including the anti-cyclical capital buffer, defined by FINMA of 8.0 percent for the CET1 capital ratio, 9.8 percent for the Tier 1 capital ratio and 12.2 percent for the total capital ratio for category 3 banks, including Vontobel. It has set itself the target of achieving a CET1 capital ratio of more than 12 percent and a total capital ratio of more than 16 percent. Its own mid-term targets were thus also exceeded.

The Executive Committee successfully executed its strategic objectives in 2023. Progress was achieved against many of the strategic priorities for 2023 to 2024. Vontobel is today one of the strongest brands in the Swiss financial sector. In addition, it has strengthened its market position in its focus markets, which represent more than 80 percent of global wealth. In 2023, in line with its long-term focus, Vontobel planned the CEO succession and continued to invest in new talent with new capabilities, as well as in future technologies. The around 60 new employees in the client-facing area of Wealth Management will help Vontobel to offer a best-in-class client experience to even more private clients. In late summer 2023, Vontobel reached its first cooperation agreement with an international private markets expert, Portfolio Advisors, LLC, to enable selected wealth management clients to make long-term investments in the asset class private markets through a multi strategy fund. In addition, Vontobel has expanded its product offering for US investors with an SEC-registered 40-Act mutual fund. Vontobel has also further evolved derinet, its successful platform for structured products, in order to deliver a best-in-class client experience: In 2023, Vontobel Markets was launched in our Swiss home market and in all other European markets. In April 2023, the legal merger of the two Switzerland-based Vontobel entities serving US clients closed successfully. The merger to create Vontobel Swiss Financial Advisers AG marked another important step in the execution of Vontobel's growth strategy in North America. In addition, Vontobel decided to take full control of the distribution channels for asset management products in the US. Finally, with the placement of the new AT1 bonds, Vontobel has successfully optimized its long-term financing.

The Executive Committee consistently exceeded its qualitative objectives. For example, it further strengthened Vontobel's positioning in the market and vis-a-vis all stakeholders. A strong emphasis was placed on client focus. To deliver the best solutions and generate sustained success for our clients, the Executive Committee has, in particular, introduced specific Customer Journeys. In this context, ever stricter regulatory requirements have been implemented in good time. To achieve its targets and ensure Vontobel maintains a long-term view, it is essential to have an inspiring and dedicated leadership team in place that promotes talented employees in a targeted way, motivating them and setting the right objectives. Vontobel is about taking ownership, adopting a forward-looking approach and thinking independently for the benefit of its clients. Its sharper identity sends out a clear signal and is an expression of what motivates it and how it creates value for its clients.

Actual compensation (audited information)

Compensation for the financial year

The aggregate compensation of the Executive Committee increased by 36 percent compared to the previous year. This effect is primarily due to the increase in the number of members of the Executive Committee. The variable bonus awarded to members of the Executive Committee based on an evaluation of their achievement of individual objectives was, on average, 1.22 times their base salary (previous year: 1.08).

Compensation of the members of the Executive Committee for the financial year

FINANCIAL YEAR	FIXED COMPENSATION			PERFORMANCE-RELATED COMPENSATION			
	BASE SALARY CHF M	PENSION CHF M	OTHER COMPENSATION[1] CHF M	BONUS PAID IN CASH[2] CHF M	BONUS PAID IN SHARES[2,3] CHF M	TOTAL[4,5] CHF M	NUMBER OF RECIPIENTS
2023	3.8	0.7	0.0	2.9	1.7	9.1	5
2022	3.0	0.5	0.0	1.6	1.6	6.7	4
Change vs 2022 in %	27	20		81	6	36	25

1 Other short-term employee benefits comprise claim payments, family allowance payments and preferential interest rates for mortgages.
2 Financial year 2023: Subject to the approval of the General Meeting of Shareholders 2024
3 A total of 41,509 (previous year 33,262 Vontobel Holding AG shares based at the price of CHF 41.86 (per share) were allocated to members of the Executive Committee. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
4 Excluding flat rate compensation for expenses and employer contribution to AHV / IV / ALV.
5 The expense relating to performance shares is not included in "Total compensation for the financial year". The allocation of performance shares is shown separately in the following table “Allocation of shares from the long-term employee share-based benefit program”.

Allocation of shares from the long-term employee share-based benefit program[1]

	2023 CHF M OR NUMBER	2022 CHF M OR NUMBER	CHANGE TO 2022 CHF M OR NUMBER	CHANGE TO 2022 IN %
Market value of performance shares at the date on which they were allocated in CHF M[2]	3.3	4.9	–1.5	–31
Number of performance shares allocated	56,973	71,645	–14,672	–20
Total number of persons receiving compensation	**2**	**2**		
Market value of performance shares to former members of the Executive Committee at the date on which they were allocated in CHF M	*4.2*	*6.6*	*–2.4*	*–36*
Number of performance shares allocated to former members of the Executive Committee	*71,485*	*97,381*	*–25,896*	*–27*
Number of persons receiving compensation (former members of the Executive Committee)	*3*	*4*	*–1*	*–25*

1 The allocated performance shares are a long-term component of the compensation system and, as such, are not included in the previous table “Compensation for the financial year”. Instead, they are shown separately in this table.
2 In accordance with the relevant IFRS rules the cost recorded as equity compensation benefits was CHF 3.0 M (previous year: CHF 3.8 M) and was included on a pro rata basis over the vesting period.

Highest total compensation for the financial year

FINANCIAL YEAR	NAME	FUNCTION	FIXED COMPENSATION			PERFORMANCE RELEATED COMPENSATION		
			BASE SALARY CHF 1,000	PENSION PLAN CHF 1,000	OTHER COMPEN-SATION CHF 1,000	BONUS PAID IN CASH CHF 1,000	BONUS PAID IN SHARES[1] CHF 1,000	TOTAL CHF 1,000
2023	Dr. Zeno Staub	CEO	1,000.0	156.9		1,150.0	0.0	2,306.9
2022	Dr. Zeno Staub	CEO	1,000.0	153.0		650.0	650.0	2,453.0

To determine the member of the Executive Committee with the highest total compensation, the conditional rights to receive performance shares associated with bonus shares are included in the calculation with a weighting of one performance share per bonus share.
1 The member of the Executive Committee was awarded 0 shares (previous year 13,619) of Vontobel Holding AG based at the price of CHF 41.86 (per share) as part of his compensation for the year under review. These shares are subject to a holding period of three years, during which they cannot be sold. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period. Those values will be known in spring 2025 respectively 2026 (cf. previous section "compensation components").

Allocation of shares from the long-term employee share-based benefit program to the member with the highest total compensation

	31.12.2023	31.12.2022
Number of performance shares allocated	40,695	51,620

The number of performance shares allocated is calculated on the basis of the number of bonus shares received for the financial year 2019 (previous year 2018) as well as the performance of the business in the years 2020 to 2022 (2019 to 2021).

Vesting of performance shares

The increase in profitability in recent years resulted in a pleasing increase in the return on equity in the performance period from 2021 to 2023. The average return on equity was 13.5 percent and the average BIS Total Capital Ratio was a solid 23.5 percent. Consequently, the multiplier for performance shares from the 2020 bonus, which will vest in spring 2024, is 135 percent.

Multiplier of performance shares that have vested since 2004

The following table shows the key data and the multiplier since the introduction of the long-term share participation plan in 2004:

			DETERMINING FACTORS MULTIPLIER			
SERVICE PERIOD (BUSINESS YEAR)	PERFORMANCE PERIOD	ALLOCATION YEAR	AVERAGE RETURN ON EQUITY (ROE)	AVERAGE BIS TOTAL CAPITAL RATIO[1]	MULTIPLIER	MARKET PRICE AT ALLOCATION DATE IN CHF
2004	2005–2007	2008	18.9%	23.7%	189%	36.85
2005	2006–2008	2009	16.2%	22.1%	162%	24.00
2006	2007–2009	2010	12.2%	21.6%	122%	32.25
2007	2008–2010	2011	9.2%	21.5%	85%	36.40
2008	2009–2011	2012	9.0%	23.1%	81%	22.00
2009	2010–2012	2013	8.6%	24.6%	74%	30.95
2010	2011–2013	2014	7.9%	25.8%	73%	32.15
2011	2012–2014	2015	8.3%	25.1%	83%	43.35
2012	2013–2015	2016	9.6%	22.3%	93%	41.75
2013	2014–2016	2017	13.0%	20.1%	130%	55.60
2014	2015–2017	2018	14.5%	18.6%	121%	61.80
2015	2016–2018	2019	14.7%	18.8%	123%	55.20
2016	2017–2019	2020	13.4%	19.0%	112%	64.00
2017	2018–2020	2021	13.5%	19.3%	113%	72.55
2018	2019–2021	2022	15.4%	20.3%	154%	68.05
2019	2020–2022	2023	14.4%	22.2%	144%	58.70
2020	2021–2023	2024	13.5%	23.5%	135%	n/a

1 Up to 31.12.2012: BIS Tier 1 Capital Ratio

Additional fees, related parties and similar information

None.

Former members of the Executive Committee

In 2023, compensation of CHF 1.9 million was paid to a former member of the Executive Committee. This was the pro rata payment of the underlying entitlement to performance shares (variable remuneration, 2020 bonus) upon ordinary retirement in accordance with the share participation plan regulations. The table “share allocation from the Long-Term Incentive Program” shows the allocation of performance shares to former members of the Executive Committee.

Holdings of shares and options (audited information)

		31.12.2023	OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE		31.12.2022	OPTIONS NUMBER OF SHARES AT THE TIME OF EXERCISE	
NAME	FUNCTION	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS	SHARES NUMBER	CALL OPTIONS	PUT OPTIONS
Dr. Zeno Staub	CEO	178,284			158,770		
Dr. Thomas Heinzl	CFO / CRO	22,587			15,254		
Dr. Maria-Antonella Bino	General Counsel	9,244			4,791		
Felix Lenhard	COO	39,832			55,474		
Dr. Christel Rendu de Lint	Head Investments	20,978			n/a		

The above figures do not include rights to receive performance shares.
The calculation of the number of shares at the time of exercise reflects the exchange ratio of the respective options.
The above figures also include the share and option holdings of parties related to the members of Vontobel's governing bodies.

Loans to governing bodies (audited information)

As of December 31, 2023, fully secured loans and credits to and the promise of payment in favour of members of the Executive Committee of CHF 0.0 million were outstanding (previous year CHF 0.3 million). No loans to former members of the Executive Committee were outstanding that were not granted according to standard terms and conditions.

Compensation of other employees

Compensation system

Compensation principles
Employee compensation is essentially based on the same model as for the Executive Committee and consists of the same components. Differences may arise in the case of individual employees due to market-specific compensation models for individual job profiles or due to local regulatory requirements.

Long-term participation plan
In principle, the same participation plan is available to Vontobel employees as to the Executive Committee. However, the mandatory portion of the bonus that has to be taken in the form of shares differs between employees and members of the Executive Committee. Employees can opt to receive 25 percent of their bonus in the form of bonus shares of Vontobel Holding AG. For bonus amounts exceeding CHF 100,000, it is mandatory for employees to take 25 percent of the bonus in the form of shares. Individual employees who exercise roles that are defined by the Board of Directors as special positions are required to take 33 percent of their bonus in the form of shares.

Variable Compensation Agreements
Additional agreements known as variable compensation agreements are used in the case of individual portfolio managers in the Center of Excellence Investments. As a result of these agreements, a part of the bonus for the concerned employees is linked to the performance of funds and is blocked for a period of three years. The cash portion of the bonus is reduced accordingly. Their participation in the share participation plan is not affected by this. These agreements align the interests of portfolio managers with those of clients. Furthermore, it increases the loyalty of the employees concerned to Vontobel and also fulfils regulatory requirements in certain countries.

Vontobel Asset Management USA
Vontobel Asset Management USA has a compensation system in place that is aligned with local compensation practices. In addition, certain employees receive variable compensation that is not part of the Group-wide bonus pool. To align the interests of portfolio managers and clients, their part of the bonus that exceeds a specific threshold, is linked to the performance of funds and is blocked for a period of three years. Other employees take part in the Group-wide participation program.

TwentyFour Asset Management
With the acquisition of the remaining 40 percent of TwentyFour Asset Management by Vontobel as of 30 June 2021, its compensation model was also revised and aligned with that of Vontobel. In particular, elements of the “Vontobel Share Plan” and those of the “Variable Compensation Agreement” were included.

Confirmation of compliance with equal pay between women and men

Bank Vontobel AG and Vontobel Asset Management AG comply with the principle of equal pay for men and women. As part of the new legal framework, an internal equal pay analysis was successfully carried out by external experts. The correct implementation of this analysis was subsequently verified by the Social Partnership Office for Equal Pay in the Banking Industry (SF-LoBa).

Context

The Federal Act on Gender Equality (GEA) was revised as of July 1, 2020 and supplemented by an obligation for employers to conduct an internal equal pay analysis. The revision of the law affects employers with 100 or more employees and aims to enforce the constitutional right to equal pay for equal work and work of equal value (Art. 8 para. 3 BV).

Analysis method

An in-house pay equity analysis must be based on a demonstrably scientific method that is legally compliant for Switzerland. Such an analysis statistically examines whether equal pay is being complied between all women and men of an employer. Equal pay within the company is deemed to have been observed as long as any remaining unexplained pay difference is within the specified tolerance threshold of 5 percent.

Basis of analysis

Bank Vontobel AG and Vontobel Asset Management AG decided to have the analysis carried out by external experts. For this purpose, the Competence Centre for Diversity and Inclusion (CCDI-FIM) of the HSG prepared a statistical pay equality analysis using the Logib method. The analysis was carried out within the statutory deadline with a cut-off date of 30 April 2021. The 1515 employees of Bank Vontobel AG and 239 employees of Vontobel Asset Management AG in employment at that date were taken into account. In accordance with the law, the only employees excluded from the analysis were apprentices, interns, temporary employees, seconded employees as well as disability and similar special cases.

Analysis result

Equal pay audited
SoPaCEB
Social Partnership Centre for Equal Pay in the Banking Industry

The result of the analysis shows that Bank Vontobel AG and Vontobel Asset Management AG comply with the internal pay equality between women and men within the specified tolerance threshold of “Logib” and therefore the label “Equal pay audited in accordance with the requirements of the Equal Opportunities Act” could be issued.

Social partnership control

The revised GEA requires an additional, independent check of the equal pay analysis carried out. Bank Vontobel AG and Vontobel Asset Management AG have decided to take advantage of the possibility of a social partnership review. The Social Partnership Office for Equal Pay in the Banking Industry (SF-LoBa) reviewed the analysis and confirmed not only that it was formally correct, but also that it complied with all the requirements of the SF-LoBa industry seal of approval.

Questions and answers

Questions have repeatedly arisen in discussions with our investors and shareholders as well as when performing comparisons of Vontobel's compensation system with other compensation models. We carefully address these questions and assess their relevance for Vontobel. We have, among other things, responded to calls for complete transparency. In the following section, we look at the most important questions:

Objectives

Why doesn't the Compensation Report contain more detailed disclosures on objectives and the extent to which they are achieved?

Quantitative and qualitative objectives are agreed and measured for each member of the Executive Committee. Due to competition considerations, we disclose objectives and the extent to which they are achieved on an aggregate basis because we don't wish to provide an insight into individual strategic objectives or the individual achievement of objectives.

Caps (relative or absolute limit on compensation)

Why has Vontobel not imposed any caps on bonuses?

Individual caps on variable compensation result in upward pressure on fixed compensation. This development would lead to a less flexible cost structure and would not be in line with our corporate and performance culture, which have a long-term focus. Consequently, Vontobel has not imposed any relative or absolute caps on variable bonuses.

Vontobel has a balanced compensation system that ensures only sustained performance is rewarded. In the past, compensation was therefore always consistent with performance and the achievements of objectives. Furthermore, all compensation is put to the vote at the General Meeting of Shareholders (on a prospective basis for fixed compensation and on a retrospective basis for variable compensation). This gives shareholders full control over the compensation that is paid out.

Why has Vontobel not defined any caps for the share participation plan?

Our Long-term Incentive Program is risk-adjusted and has a natural cap, since the return on equity and Total Capital Ratio parameters run counter to each other on the one hand and have a de facto maximum limit on the other.

For example, since Vontobel was listed on the stock market in 1986, the return on equity has never exceeded 21.6 percent – the value achieved in 2006 prior to the financial crisis.

The increase in the capital ratio is also limited. On the one hand, Vontobel distributes a major proportion of its annual net profit to shareholders in the form of a dividend. On the other hand, the remaining profit is retained to finance organic growth and potential acquisitions. Consequently, an increase in the capital ratio can only be achieved slowly. However, we recognize that the calculation of performance shares is purely formulaic and therefore has no upper limit in theory. For this reason, we have decided to introduce a cap of 250 percent on the multiplier used for the calculation of performance shares for members of the Executive Committee from 2019.

Target bonus

Why has Vontobel not introduced a target bonus?

The introduction of an additional rule in the form of a target bonus would not create any added value in the current process to determine compensation, since a retrospective vote on the concrete bonus amounts is held at the General Meeting of Shareholders.

Shares for employees

Does Vontobel increase its share capital in order to allocate bonus and performance shares?

Vontobel purchases all of the shares required for the compensation of the Board of Directors, Executive Committee and employees in the market. This ensures that our compensation system does not result in any dilution of shareholders.

Discount on shares

Why is a 20 percent discount applied to the shares allocated to employees?

The discount is to be viewed as a component of overall compensation and, as such, also forms part of the contractual negotiations with potential employees. In addition, the discount is a further incentive for employees to opt to receive shares despite the three-year blocking period.

Employees – excluding the Board of Directors and Executive Committee – have the option of receiving shares if their bonus is less than CHF 100,000. The discount serves here as an additional incentive to participate in the company over the long term. Shareholder interests are thus broadly anchored across the company. Vontobel shares received as part of the bonus are valued at the average share price on the SIX Swiss Exchange in the month of December and a 20 percent discount is applied to reflect the three-year blocking period.

Peer comparison in participation plan

Why isn't the performance of the peer group or a benchmark index incorporated into the long-term participation plan based on a formula, e.g. through the relative Total Shareholder Return (TSR)?

Peer performance is naturally taken into account by Vontobel when determining variable compensation. Rather than using a formula-based component, it is taken into account via an individual quantitative and qualitative comparison, which is incorporated into the bonus allocation. Furthermore, if a relative TSR were to be taken into account, this would entail the risk of management adopting a procyclical approach. Management would, for example, have an incentive to participate in short-term market trends to avoid the share price coming under pressure – even if this would not make any sense for Vontobel in terms of business policy or from a long-term perspective.

In addition, it is only possible to compare different companies to a limited extent, since the TSR and share price always incorporate company-specific and market-specific factors that would then need to be individually "corrected" or "normalized".

Capital costs in compensation model

Why are capital costs not taken into account in Vontobel's compensation model?

Vontobel has set itself the target of generating a return on equity of at least 14 percent. This minimum requirement means that the cost of capital is taken into account when defining management objectives. In addition, all rights arising from the long-term share participation plan lapse if the average return on equity falls below 4 percent.

Why do performance shares vest if the return on equity is 4 percent and is therefore below the cost of capital?

The participation plan is designed to promote employee loyalty to the company over the long term. For this reason, the compensation model provides for an allocation of performance shares even if the return on equity is 4 percent, i.e. below the cost of capital. However, a correspondingly low allocation applies (25 percent). We expect the costs of the participation plan to be reduced significantly if a low return on equity is generated.

Mandatory share ownership requirements

Why is there no mandatory requirement for members of the Board of Directors and the Executive Committee to hold shares in Vontobel?

Our compensation model results in the Board of Directors and Executive Committee building up a significant shareholding over time. In the case of the Executive Committee, for example, the mandatory requirement to take 50 percent of the bonus in shares automatically results in a minimum holding of Vontobel registered shares with a value equivalent to 50 percent of the variable compensation paid over the last three years. For this reason – and because management has not sold all of the shares that became free – the Executive Committee had an aggregate holding of Vontobel shares corresponding to four times its base salary at the end of 2023.

Clawbacks

Why are there no clawbacks at Vontobel?

Vontobel has so far intentionally refrained from introducing clawbacks since they can give rise to the temptation to not disclose challenges and problems in order to avoid any clawbacks. Instead, Vontobel encourages and cultivates a corporate culture in which problems are disclosed, discussed and actively addressed. Furthermore, clawbacks are very difficult to enforce in practice and can only be implemented under certain circumstances.

Total compensation

Why doesn't Vontobel disclose the total amount of current compensation plus the value of vested shares from earlier participation plans?

Vontobel provides a high level of transparency about compensation. Vontobel is one of a small number of companies that report allocated performance shares at vesting, meaning that the actual – rather than model-based or calculatory – compensation is shown.

If the compensation from the participation plan 2020 were to be added to the compensation for 2023, this would provide a misleading picture since the compensation stems from different periods.

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2024

Report of the statutory auditor on the audit of the compensation report

Opinion
We have audited the compensation report of Vontobel Holding AG (the Company) for the year ended 31 December 2023. The audit was limited to the information pursuant to Art. 734a-734f of the Swiss Code of Obligations (CO) in the tables marked “audited information” on pages 70 to 79 of the compensation report.

In our opinion, the information pursuant to Art. 734a-734f CO in the compensation report (pages 55 to 83) complies with Swiss law and the Company’s articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor’s responsibilities for the audit of the compensation report” section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the tables marked “audited information” in the compensation report, the consolidated financial statements, the stand-alone financial statements and our auditor’s reports thereon.

Our opinion on the compensation report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the compensation report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the audited financial information in the compensation report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the compensation report
The Board of Directors is responsible for the preparation of a compensation report in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of a compensation report that is free from material misstatement, whether due to fraud or error. It is also responsible for designing the remuneration system and defining individual remuneration packages.

Auditor's responsibilities for the audit of the compensation report
Our objectives are to obtain reasonable assurance about whether the information pursuant to Art. 734a-734f CO is free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this compensation report.

As part of an audit in accordance with Swiss law and SA-CH, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement in the compensation report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made.

We communicate with the Board of Directors or its relevant committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Building a better working world

We also provide the Board of Directors or its relevant committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young Ltd

Andreas Blumer (Qualified Signature)	Philipp Müller (Qualified Signature)
Licensed audit expert (Auditor in charge)	Licensed audit expert

Corporate Responsibility & Sustainability

Foreword

The transformation to a sustainable economy requires a resilient consensus between politics, business and society; both nationally and internationally. 2023 has once again proven how challenging it is to achieve this.

There are numerous complex issues, such as the energy transition towards renewable sources, which cannot be accomplished overnight. Moreover, tackling such a challenging task requires that every segment of society is included. At the same time, the critical window in which we can successfully limit global warming and maintain or gradually regenerate the earth's nature is becoming narrower. However, despite these challenges, there is some good news: December 2023 was marked with COP28. Despite mixed expectations prior to the event, the conference delivered on the promise to accelerate the energy transition by recognizing the need to move away from fossil fuels and to channel funds towards strengthening the resilience of countries to the effects of climate change. While the goals outlined in the Paris Agreement are far from being achieved, this shift in governmental policies will bring the tailwind for emerging opportunities, with the EU, China and US leading the way.

In our industry, we are aware of the levers we have to contribute to this transition. As a globally active investment firm—both a decision-maker influencing the allocation of capital and a corporate citizen—we have formulated the demands that we place on ourselves in our Sustainability Positioning, and we are working step-by-step towards our six Sustainability Commitments that define the relevant measures that will allow us to contribute to a more sustainable future.

We would like to provide you with more detailed information about this in our 2023 Sustainability Report. This report, which has been fundamentally reviewed and revised for the current reporting season, provides our stakeholders with transparency about how far we have come and what still lies ahead of us.

In the year under review, we further expanded and strengthened our expert teams for ESG investments within our boutiques and ESG investment advice within wealth management.

We have committed to incorporate ESG considerations into active investment decisions because we believe that ESG consideration is part of our fiduciary duty, requires investment team accountability and demands transparency. To deliver on this commitment, we invested in our ESG data platform and strengthened our ESG investment governance.

With regard to the private client side of our business, we put great store in the dialogue we carry out with these clients in order to understand their preferences for making ESG investments. Based on our proprietary ESG framework, these preferences are then integrated into our advisory processes and the individual investment decisions arising from them. What is crucial in this approach is the classification and evaluation of our offer, based on the client's preferences as well as on transparent reporting.

While recognizing that the path towards sustainability is an ongoing endeavor, we look forward to the future and remain committed to playing a constructive role and contributing to the journey.

Dr. Zeno Staub
Chief Executive Officer Vontobel

"We have formulated the demands that we place on ourselves in our Sustainability Positioning, and we are working step-by-step towards our six Sustainability Commitments that define the relevant measures that will allow us to contribute to a more sustainable future."

–

Dr. Zeno Staub
Chief Executive Officer

A dialogue with our Chairman

What achievement around sustainability are you personally most proud of?
I'm most proud of our Positioning and our six Sustainability Commitments. Over the past year, we have further set out our six Sustainability Commitments and established KPIs for each of them. This marks an important milestone on our path to sustainability from a twofold perspective: first, it empowers us to report progress to our stakeholders. Second, it empowers our stakeholders to hold us accountable for our actions. We take pride in this accomplishment as it reflects our commitment to being a transparent business partner and corporate citizen.

What is different about this year's report?
While Vontobel has reported on sustainability for the past 17 years, this report has undergone a significant revamp and shows a different and more refined structure. This corresponds to our various stakeholders' interests and their different expectations as to how we manage sustainability at Vontobel:

Clients are increasingly looking for investment advice and portfolio management services beyond the strategies that they are invested in; some want to be assured that the financial institution that they are buying these services from has a broad and holistic commitment to sustainability.

Shareholders have a very differentiated perspective on the topic. On one hand, they want to see that the companies they are invested in address the topic of sustainability in its broadest sense. At the same time, they want to be sure that the firm's governance delivers against regulatory and other requirements. Companies need to minimize the risks associated with the transition towards a more sustainable economy and society as well as risks of misselling and greenwashing.

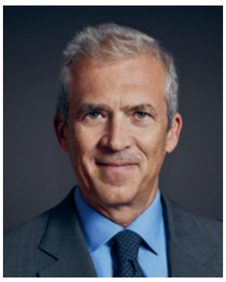
Sustainability is a topic that is close to the hearts of **employees**. A credible commitment to the topic across the entire value chain, including the culture of an organization, can present a significant differentiator when attempting to recruit and retain talent.

Regulators globally are stepping up their game around sustainability. It is important that companies demonstrate their compliance through disclosurs that are prepared in accordance with recognized global standards. There is an increasing expectation for companies to transparently outline their contribution to global goals, such as the United Nation's Sustainable Development Goals.

The **community and society** at large have become increasingly concerned with a company's broader societal impact that goes beyond the environment. Sustainability and Corporate Responsibility have consequently taken on a new meaning.

To reflect these different perspectives, our Executive Team together with the Board of Directors have developed our six Sustainability Commitments against which we will measure the progress of sustainability at Vontobel. And this year, for the first time, they provided the guiding structure of the Sustainability Report.

How does the Board of Directors ensure we deliver on these six Sustainability Commitments?
The Board of Directors is regularly informed about sustainability issues through the reporting described in the sustainability governance. In addition to that, now that the KPIs per commitment have been defined, the Board reviews the progress towards the six Commitments on an annual basis. We are in a continuous dialogue with our stakeholders to ensure that the Commitments and respec-



"If we fulfill our Sustainability Commitments and we truly deliver against our Positioning, we will have a better-performing and more sustainable business that will optimally serve our stakeholders."

—

Andreas E.F. Utermann
Chairman of the Board of Directors

tive KPIs still reflect their expectations and, if necessary, we would act and adapt.

Why should a client choose Vontobel and what differentiates us in our approach to sustainability?
For Vontobel, as a majority family-owned company, sustainability in its broader sense has a long tradition. This manifests in two aspects. First, in the importance of intergenerational longevity. This leads to long-term oriented management of the business and an orientation towards a broad range of stakeholders compared to a narrow focus on short-term performance metrics. Secondly, it manifests in the way that Vontobel already has approached its societal responsibility in the past. Corporate responsibility was traditionally very important to Vontobel, especially when going public in 1986. Today, the Vontobel foundation continues to hold 14.9 percent of the total share capital and disperses the dividends that Vontobel pays for the betterment of society at large.

Against this backdrop, clients should have the trust that Vontobel is a credible partner when it comes to sustainability-related transparency, at both a product and a corporate level.

Looking forward, what are the biggest risks for Vontobel related to sustainability from your perspective?
The biggest risk for Vontobel on this topic, like many other topics, is losing trust. To gain and retain trust from our stakeholders, we must walk the talk and we cannot afford to cut any corners or to exploit certain trends for marketing reasons only. We need to genuinely mean to have an impact, and if we approach this topic too much from a marketing perspective, we risk losing the trust of our stakeholders, which is the biggest risk to me.

And what do you consider Vontobel's biggest opportunity around sustainability?
If we fulfill our Sustainability Commitments and we truly deliver against our Positioning, we will have a better-performing and more sustainable business that will optimally serve our stakeholders.

Sustainability at Vontobel

Our company

At Vontobel, all our clients have one thing in common: they come to us for active investment solutions. Our multi-boutique structure enables us to offer distinct and independent options spanning Equities, Fixed Income and Multi Asset. As a leader in financial products, we also provide access to our expertise in structured solutions. In addition, we offer a variety of wealth planning services. We firmly believe that bringing all of these different aspects of investing together in one investment firm has made Vontobel a clear choice for investors worldwide.

A globally active financial expert with Swiss roots
Vontobel provides service and advice based on in-depth worldwide investment expertise to private clients, institutional investors and financial market intermediaries in the domestic Swiss market and key international focus markets. We leverage technology to deliver high-quality, tailored client solutions. We are positioned as a pure buy-side investment firm. We are a family-oriented organization to this day through a majority shareholding and haven been listed on the SIX Swiss Exchange since 1986.

A client-centric investment firm
Our advisory expertise is provided through the specialized Client Units Asset Management, Wealth Management and Digital Investing. Relationship Managers within the Client Units can concentrate fully on meeting the wishes and needs of our clients.

Vontobel 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.

Vontobel Wealth Management serves wealthy private clients and External Asset Managers (EAMs). This allows clients with complex international asset structures to benefit from the advisory services used by institutional clients.

Vontobel Digital Investing focuses on investment solutions for self-directed private investors, either directly or via ecosystems, and it also concentrates on the end-client business with structured products.

All Client Units have full access to our investment and solutions expertise within our Centers of Excellence including Investments and Structured Solutions & Treasury.

Active participant in economic life
Our company is an integral part of the global economic system and we benefit from the excellent operating environment in our Swiss home market, with its high standards of education, good infrastructure and political stability. As an employer and taxpayer and as an active participant in economic life—e.g. in our role as a purchaser of goods and services, as an investor and provider of innovative and sustainable financial services—we also contribute to the creation of value at a regional level in the locations in which we operate and to the welfare and the stability of the communities in which we work.

Promoting art and incorporating it into our everyday lives is also a part of our corporate culture (see page 134). Since 2004, our clients have been able to lend their support to a variety of projects focusing on social issues, culture, ecology, education or medicine through the Spendenstiftung Bank Vontobel (Charitable Foundation).

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Economic value distributed

CHF M	2023	2022	2021
Value creation [1]	954.9	933.7	1,209.8
Taxes [2]	24.3	44.4	90.3
Dividend for the fiscal year	167.9 [3]	168.0	167.7

1 Income less general expense and depreciation of property, equipment (incl. software) and intangible assets
2 Includes income tax, tax on capital and other taxes and contributions
3 As per proposal submitted to the General Meeting (CHF 3.00 per share, unchanged from the previous year)

More information on this report
This report has been produced in accordance with the principles set out by the Global Reporting Initiative (GRI) for the 13th time. The reporting frequency is annual.

Contact point for the report section:

Simone Schärer
Corporate Sustainability Manager

Maxime Schoch
Sustainability Manager

sustainability@vontobel.com

Sustainability Positioning and long-term vision

Sustainability and corporate responsibility have a long history at Vontobel. Since its founding in 1924, the Vontobel owner family has always been a promoter of long-term value creation, which is important for our path towards sustainability.

Responsible corporate citizen, pioneer in ESG investing and advice

Vontobel acts as a responsible corporate citizen and employer, supporting communities and considering environmental aspects when running its own operations. Sustainability also plays a relevant role in our business activities. As a pioneer in this field, we have been offering our clients a range of investment solutions that incorporate ESG considerations since the 1990s. Private and Institutional investors can obtain an entire range of sustainable

"As owners thinking for the long term, we support Vontobel's efforts to play an active role in the sustainable transformation of our economy and society for future generations."

–

Dr. Maja Baumann
Member of the Board of Directors

Our Sustainability Positioning

**"Sustainability has always been a focus for our owner families, now in their fourth generation.
As corporate citizens, we honor their commitment by contributing to the health of our local communities.
As a global investment firm, we empower investors with the necessary knowledge, tools and investment options to consider sustainability in the building of their better futures.
Through these efforts, we contribute to the UN's SDGs and aim for our impact to be proportionate to our reach."**

investment solutions from Vontobel. These include various investment solutions in which sustainability aspects form an important criterion for the valuation and selection of companies.

This philosophy was formalized into our ten sustainability principles in 2007, emphasizing Vontobel's commitment as a provider of investment solutions, employer and corporate citizen.

Vontobel's six Sustainability Commitments and progress

Throughout the years, Vontobel has continued to empower clients to build a better future. In 2022, the Board of Directors laid the strategic foundations for Vontobel's sustainability commitment from 2023 onwards. In collaboration with the Executive Committee, the Board of Directors revised the previous sustainability principles and defined the Group's Sustainability Positioning and six Sustainability Commitments instead. The Sustainability Commitments set out the key levers that we have as a global investment firm and as a corporate citizen to deliver on the promise we have made based on our Sustainability Positioning. We are working systematically across all our Client Units and Centers of Excellence to deliver on our six Sustainability Commitments and, in doing so, are helping to drive the transition to a more sustainable economy and society.

In the past year, we have continued to further set out our six Sustainability Commitments and have defined actionable measures and KPIs to monitor and measure progress and success. For the first time, this report comments on a selection of KPIs that have been defined in this context to report our progress regarding our six Sustainability Commitments (see table on next page).

Vontobel is committed to contributing to a more sustainable economy and society.

1998
First ESG product launched.

2007
Vontobel defines its ten "Sustainability principles".

2008
Vontobel becomes a signatory of the Carbon Disclosure Project (CDP) and a founding member of Swiss Climate Foundation. The firm launches its first environmental investment solution.

2009
Vontobel is offsetting all its operational carbon emissions (Scope 1-3) through purchase of CO_2-certifcates.

2010
Vontobel becomes a signatory of the Principles for Responsible Investments.

2011
Group-wide exclusion of controversial weapons.

2014
Vontobel becomes a founding member of Swiss Sustainable Finance.

2017
Commitment to support the UN Global Compact Principles.

2019
Vontobel publishes its Sustainable Investing Policy.

2021
Vontobel becomes a signatory to the UK Stewardship Code.

2022
Vontobel replaces "Sustainability principles" from 2007 with Sustainability Positioning and Commitments.

Our six Sustainability Commitments

Empower our stakeholders to challenge us through governance and transparency.
We see transparency as a key tool for empowering our clients to track how we deliver on our sustainability ambitions. And we see good governance (the "G" in ESG) as a key mechanism to ensure delivery of our ESG strategy, at both the product and corporate levels. We report on our sustainability-related performance using state-of-the-art reporting standards.

Incorporate ESG consideration into active investment decisions.
We believe that ESG consideration is part of our fiduciary duty, requires investment team accountability and demands transparency. For this reason, our investment teams subscribe to four ESG Investment Principles. This foundation enables us to offer a wide range of ESG solutions, in response to our clients' desired investment objective(s), which can be any one, or a balance of, the following:
1. optimizing risk-adjusted performance through the consideration of financially material ESG issues;
2. mitigating negative environmental and social impact from investments; and
3. investing in companies that provide products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs).

Advise our private clients on the benefits, opportunities and risks of ESG investments.
We advise our private clients on the risk / return characteristics of ESG investments to help them build portfolios that meet their goals, and we want to offer them a comprehensive product shelf to choose from. This will entail the creation of sustainability profiles for clients, based on their investment needs, across different regions and jurisdictions.

Achieve net-zero by 2030 in our banking book investments and operations.
By 2030, we aim to be net-zero[1] with our greenhouse gas emissions (GHG) in our operations and banking book investments. Additionally, we aim to be net-zero with our GHG emissions in our trading book bond investments by 2050.

Continue creating a great workplace where everyone can thrive.
Our work practices advance equality, diversity and inclusion and foster a workplace environment where everyone has the opportunity to develop and reach their full potential. Mutual respect and openness, without discrimination, shape our culture.

Be an active member of the local community.
Vontobel operates with the spirit of citizenship to foster quality of life in the places we live and work. We do this by providing jobs and enabling and encouraging our employees to play an active role in their local communities. Vontobel and the charitable Vontobel-Foundation have sponsored projects in the areas of social welfare, medical research, nature and culture since 1993.

1 Net-zero means achieving a balance between emissions and removals of GHGs from the atmosphere (ISO IWA 42:2022), Scope 1-3 in our own operations and Scope 1-2 in our banking book bond investments in non-sovereign issuers. Our commitment is aligned with the 2015 Paris Agreement goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We plan to reduce emissions as far as possible and we aim to offset residual emissions at the net-zero target year and any GHG emissions thereafter.

Progress on our six Sustainability Commitments

COMMITMENT	SELECTION OF MEASURES & KPIS	2023 DEVELOPMENTS & ACHIEVEMENTS
Empower our stakeholders to challenge us through governance and transparency	– Define a clear sustainability / ESG governance and processes – Establish state-of-the-art ESG trainings for employees and increase number of ESG-related trainings	– We have sharpened our existing sustainability governance at a Group level; each Commitment is owned by a senior management team member who is represented in the Corporate Sustainability Committee that meets at least on a quarterly basis – Launch of two ESG video trainings on ESG awareness with key terms and regulatory relevance and on ESG fundamentals addressing the EU regulatory framework for sustainable finance
Incorporate ESG considerations into active investment decisions	– Measurement and monitoring of ESG Investment Principles	– We have invested in our ESG data platform and strengthened our ESG investment governance – We have included the four ESG Investment Principles in the performance assessment of our Boutique Heads
Advise our private clients on the benefits, opportunities and risks of ESG investments	– Collect ESG preferences for all private clients – Enhance our client advisory process with ESG characteristics	– The rollout of our Private Clients ESG Framework started in 2023 with the collection of ESG preferences for additional clients, providing them access to our full Vontobel ESG capabilities – Several portfolio-level ESG reportings on advised and managed mandates have been enhanced by relevant ESG metrics, providing additional insights and clarity to our clients
Achieve net-zero by 2030 in our banking book investments and operations	– For operations: Scope 1 – 3 operational GHG emissions – For banking book: Scope 1 – 2 GHG emissions for bond investments in non-sovereign issuers	– For operations: we have defined and implemented a concept for an internal carbon price that applies to air travel – For banking book: we have introduced a new Key Risk Indicator (KRI). In addition, we have defined a reduction path, and looking ahead, the quarterly KRI reporting starts in Q1 / 2024
Continue to creating a great workplace where everyone can thrive	– Representation of females in managerial positions – Representation of females in senior management positions	– We have increased accountability of senior leadership through the inclusion of DE&I targets in goal setting – Introduction of DE&I dashboard for Executive Committee and Executive Board displaying current data and trends to achieve 2030 goals; a review takes place on a quarterly basis
Be an active member of the local community	– Engage in corporate partnerships and philanthropy – Number of trainees and apprenticeships	– Together with the ICRC, we have launched an internal fundraising initiative around the topic of "Forgotten conflicts" – Over the past reporting year, we employed a total of 17 GTPs and 32 apprentices

Our approach to climate change

As mentioned above, the six Sustainability Commitments provide the guiding structure underlying our sustainability strategy with an emphasis on climate change considerations. The Commitments affect our internal operations, philanthropic actions, investment solutions and advice, as well as voting and engagement on behalf of our clients. Furthermore, we strive to serve the financial markets by improving the transparency of climate-relevant information for our products and services and we collaborate with data providers and our peers in Switzerland through our engagement in various industry associations.

Within our own engagement, we are committed to reducing as many emissions as possible by 2030. This entails our operational activities as well as the bond investments in our banking book (Scope 1 – 3 in our own operations and Scope 1-2 in our banking book bond investments in non-sovereign issuers). We aim to offset potentially remaining emissions in the target year through high-quality carbon offset and removal options. For this purpose, we are collaborating with third-party vendors and are relying on projects that have been verified using international standards such as the Verified Carbon Standard ("Verra").

Environmental aspects have been incorporated into our tendering process since 2021 and serve as a guide when awarding new contracts. The relevant details are set out in Vontobel's "Guidelines for sustainable procurement," which address matters such as environmental protection, amongst others.

We support climate action through our philanthropic actions. As a founding member of the Swiss Climate Foundation, we donate a significant proportion of our refunded CO_2 levy to the foundation. The foundation supports small and medium-sized companies that develop climate-innovative projects that have a significant impact on climate protection. We contribute to activities carried out by the foundation, such as the selection of funded projects through our representation on the foundation's board and its advisory board.

Through our participation in various expert committees of our industry associations and national government institutions, such as the Swiss State Secretariat for International Finance (SIF), we provide ongoing support for the Swiss financial center in its development into a leading center for sustainable financial solutions.

The world is facing powerful trends involving major economic, environmental and social changes. These trends result in risks and opportunities for investors. Through the incorporation of ESG considerations into our investment processes, we aim to improve the long-term risk-return characteristics of our portfolios and / or at reflecting clients' values. We strongly believe that an effective identification of material sustainability risks and opportunities requires thorough analysis. After all, material ESG factors are often of a medium- to long-term nature and are difficult to quantify as contributors to near term performance. In the context of sustainability risks and opportunities, climate change is a relevant example. Vontobel believes that industries associated with high greenhouse gas (GHG) emissions (e.g. thermal coal, oil sands and coal power generation) can introduce significant risks to a portfolio, particularly in the context of potential for new regulation, taxation or other constraints.

On the other hand, today's problems motivate companies to provide innovative solutions leading to potential new investment opportunities (e.g. reducing air pollution).

Against this backdrop, we are mindful of industries with high GHG emissions. Some of our investment strategies therefore exclude carbon-intensive investments altogether, while others consider risks of these investments on a case-by-case basis as an integrated part of their investment process. Moreover, we offer specific investment strategies that invest in companies providing climate solutions. In particular, Vontobel manages different products, enabling clients to invest in companies contributing positively to social or environmental issues. For a number of products, we actively monitor and regularly disclose specific ESG information, including a carbon footprint and other climate-related performance indicators.

We believe that voting and engagement can have a positive impact on a company's long-term returns by influencing its values and behavior. In this way, it can strengthen its longer-term contribution towards building more sustainable economies and societies and protecting the environment and our climate. As an active asset manager, we are committed to using this important lever to act in the best interest of our clients.

Over the coming years, we will continue to develop our climate strategy so that we can use the opportunities available to us in the best possible way to contribute to achieving the goals outlined in the Paris Agreement, while

Case study: Swiss Climate Scores

Switzerland and its financial market participants are committed to transitioning to net-zero greenhouse gas emissions (GHG) by 2050. Honoring this commitment requires decreasing GHG emissions to limit global temperature increase to well below 2°C. To achieve this goal, the Swiss Federal Council launched the Swiss Climate Scores with a purpose to improve climate-related financial disclosures, assess the alignment of investments with the Paris Agreement and foster investment decisions that contribute to reaching climate goals. The Swiss Climate Scores are a set of six current-state and forward-looking indicators applied to financial products: GHG emissions, exposure to fossil-fuel activities, investee companies' verified commitments to net-zero, management to net-zero, credible climate stewardship and global warming potential. The federal government recommends applying them to all investment products and client portfolios where appropriate. Primarily, they are intended to be used by asset managers, banks and insurance companies for their institutional and private clients.

As of end of 2023, the Swiss Climate Scores are disclosed on a voluntary basis.

Vontobel is actively participating in several working groups that support the Secretariat for International Finance (SIF) in developing the Swiss Climate Scores, including the one from Swiss Bankers Association (SBA) and the joint one from Swiss Sustainable Finance (SSF) and Asset Managers Association (AMAS). Since its launch, the feedback from relevant stakeholders (financial sector experts, methodology providers, NGOs and academia) has been discussed and integrated into a new draft, released in June 2023; a further update on the revision of the Swiss Climate Scores was published in December 2023. Vontobel is one of the early adopters of the Swiss Climate Scores and offers dedicated reporting for selected products and on request. A wider adoption is expected in 2024.

More information about Swiss Climate Scores:
www.sif.admin.ch/swissclimatescores

safeguarding the assets of our clients from climate change risks.

Vontobel's contribution to the UN SDGs

While sustainability may mean different things to different people, the SDGs have become a common denominator on how to address the economic, social and environmental dimensions of sustainable development.

In an historic vote on September 25, 2015, all United Nations member states ratified the Agenda 2030. At its heart are the 17 Sustainable Development Goals (SDGs) and their 169 targets. The SDGs represent an urgent call to action to tackle the global challenges we face, including climate change and inequality, as well as the need for peace and justice. The SDGs also provide an opportunity to develop and implement business-led solutions and technologies to address the world's biggest sustainable development challenges.

While the SDGs have been agreed by governments, all stakeholders—including governments, civil society, the world of academia, the private sector and others—need to contribute to the realization of the new agenda. This is precisely what Vontobel's stakeholders expect from us too.

We believe that through our operations and corporate activities, we can contribute to Sustainability Goals 5, 8, 12, 13, 16 and 17.

SDG	REFERENCES TARGET(S)	MORE INFORMATION ON VONTOBEL BUSINESS ACTIVITIES
5 GENDER EQUALITY	5.5 Ensure full participation in leadership and decision-making	– Diversity, equality and inclusion: our long-term goals, targeted for 2030, include at least 30 percent of management positions and 25 percent of team leadership roles to be held by individuals from underrepresented genders
8 DECENT WORK AND ECONOMIC GROWTH	8.8 Protect labor rights and promote safe and secure working environments	– Critical ESG events: We monitor ESG controversies such as modern slavery and conditions of workers of companies included in our portfolios – Great workplace: Vontobel entertains a partnership with the "Great Place to Work" global authority on workplace culture
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	12.6 Encourage companies to adopt sustainable practices and sustainability reporting	– Incorporate ESG consideration into active investment decisions; voting and engagement: we can encourage companies to produce sustainability disclosures
13 CLIMATE ACTION	13.2 Integrate climate change measures into policies and planning	– Our approach to climate change – Environment and climate: we aim to reach net-zero in our own operations and banking book bond investments in non-sovereign issuers by 2030
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	16.5 Substantially reduce corruption and bribery in all their forms 16.7 Ensure responsive, inclusive, participatory and representative decision-making at all levels	– Sustainability governance and oversight – Compliance management: anti-bribery, corruption and money laundering
17 PARTNERSHIPS FOR THE GOALS	17.G Enhance the Global Partnership for Sustainable Development	– Our approach to climate change – Community engagement

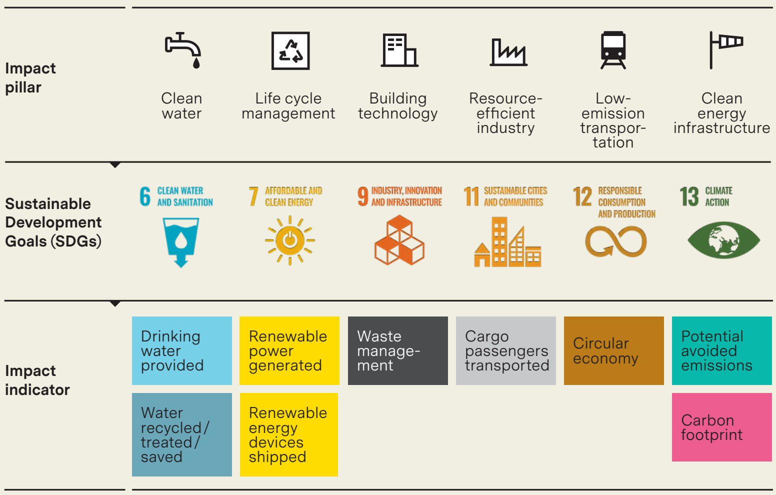
Case study: Global Environmental Change investment strategy—Impact and SDG framework

- We enable our clients to invest in companies that contribute to the UN SDGs and seek to generate a positive impact via our SFDR Article 9 investment strategies.
- We currently manage three SFDR Article 9 Investment Strategies, the “Global Environmental Change” investment strategy being one of them.
- For this strategy, our investment experts have defined six impact pillars and mapped them to the corresponding UN SDGs. To be included in this investment strategy, companies need to align with at least one of the six impact pillars and provide solutions through their products and services.
- This case study outlines how we leverage the UN SDGs and how they can provide a useful framework to identify companies with a positive contribution.

More details on our SFDR Article 9 strategies can be found under am.vontobel.com

Please note that our AM products are only available for institutional / professional / sophisticated investors. Certain products might not be available in your jurisdiction. SFDR is not a labelling regime, but a disclosure regime. Accordingly, SFDR-article-products are not quality labels for sustainability and investors shall not take the mere presence of an SFDR-article-product disclosure as an indication of sustainability or quality label for sustainability per se

We measure impact where it matters



For illustrative purposes only. Source: United Nations, Vontobel

Our memberships and initiatives

Vontobel is a member of various organizations and a co-signatory of several investor initiatives. In this way, we promote sustainable development and responsible investing.

Vontobel has been a signatory to the Principles for Responsible Investment (PRI), a UN initiative to promote responsible investing, since 2010. The Principles were launched by the then UN Secretary General in 2006 and contribute to a better understanding of the impact of investment activities on environmental, social and governance issues—ESG for short—and take account of the increasing relevance of ESG themes in investment practice.

In 2017, our company joined the global network of the United Nations Global Compact as well as the Global Compact Network Switzerland. We have thus committed to support its 10 principles in the areas of human rights, labor, environment, and anti-corruption. Within our sphere of influence as a company, we are thus helping to promote sustainability principles around the globe.

Since 2019, Vontobel Asset Management is an active member of the Global Impact Investing Network’s (GIIN) working group on listed equities. In March 2023, the GIIN published the “Guidance for Pursuing Impact in Listed Equities” which is the result of a multi-year project involving more than 100 investors. The guidance covers the four main aspects of listed equities impact investing: setting a fund or portfolio strategy, portfolio design and selection, engagement, and the use of performance data.

In 2021, Vontobel Asset Management and TwentyFour Asset Management LLP became first list signatories to the UK Stewardship Code 2020. The Code contains principles for institutional investors as well as service providers in the financial sector. Signatories to this demanding standard must submit a Stewardship Report to the UK’s Financial Reporting Council for review. In their report, they must demonstrate how they have applied the Code’s principles in the previous 12 months. Signing the Code is testimony to our commitment to effective stewardship.

A current overview of all initiatives and memberships can be found online at: www.vontobel.com/ratings-memberships.

Governance, transparency and risk management

"We see transparency as a key tool for empowering our clients to track how we deliver on our sustainability ambitions. And we see good governance (the "G" in ESG) as a key mechanism to ensure delivery of our ESG strategy, at both the product and corporate levels. We report on our sustainability-related performance using state of-the-art reporting standards."

In 2021 as part of our commitment to transparency and disclosure, we issued a statement regarding the recommendations of the Task Force for Climate-related Financial Disclosures (TCFD). We are now pleased that this report for the first time includes a TCFD index. We speak intentionally of a journey during which we will continue to supplement and improve our reporting on climate-related factors.

Stakeholder engagement and materiality assessment

Our six Sustainability Commitments center around our main groups of stakeholders: clients, shareholders, employees, regulators and the community in which we live and work. These are either impacted by Vontobel's business activities and / or have a substantial influence on the success of the company. At established points of contact, such as our Client Units, Investor Relations or Corporate Responsibility, potential stakeholders are recorded based on the queries we receive. For Vontobel, interacting with our stakeholders is an important component of our day-to-day business and is key to gaining a better understanding of stakeholders' interests and expectations.

Vontobel is committed to engaging with its stakeholders by providing relevant information regarding challenges and opportunities relating to sustainability matters.

Overview of stakeholder interaction

STAKEHOLDER	REASON FOR INTERACTION	DESCRIPTION OF ENGAGEMENT
Clients	Vontobel is a client-centric global investment firm. Engaging in a dialogue with our clients to understand their preferences and providing them with relevant information is a central part of Vontobel's commitment.	– Direct interaction with clients – Regular client surveys around ESG topics (e.g. "Vontobel 2023 Impact Investing Survey") – Organization of client events
Shareholders	As a public listed company since 1986, we engage regularly with our shareholders. Our total share capital is made up of free float shares (49%) and shares held by Vontobel families (51%).	– Meeting and engaging with investors and potential investors globally – Communication of financial results and performance to shareholders – Organization of and participation in investor conferences together with management – Collaboration with legal and governance teams to facilitate the proxy voting process during shareholder meetings
Employees	Vontobel has formulated a commitment to continue creating a great workplace for its employees where everyone can thrive. Vontobel aims to create awareness around sustainability matters among employees to ensure the buy-in of internal stakeholders on the path of sustainability.	– Regular employee surveys – Annual diversity benchmark with the University of St. Gallen – Institutionalized top-down and bottom-up feedback sessions – Internal trainings – Manager survey
Regulators	Vontobel is active in different legal and regulatory jurisdictions and needs to comply with different regulatory frameworks. It is vital that Vontobel understands the different requirements, can deliver the required information to the respective regulatory bodies and can be transparent with regard to its sustainability activities.	– Participation in industry associations and respective working groups on sustainability / ESG topics, e.g. sustainable finance – Direct interaction with regulators
Community	Vontobel is an active member of the community in which it operates. As such, it is important to understand the expectation that the community and further stakeholders have in relation to Vontobel and its impact and contribution to sustainability.	– Engagement in industry associations and forums (e.g. Building Bridges, ICRC Corporate Support Group) – Organization of events open to the public in order to foster a dialogue – Sponsoring of cultural and art events

The "Overview of stakeholder interaction" graphic summarizes why the mentioned stakeholders are important to us and how we interact with them.

Materiality for sustainability reporting
As part of our regular interaction with stakeholders as described above, Vontobel identifies and prioritizes topics that are or may become material to our business activities and stakeholders and therefore need active management.

Material topics may evolve over time, in line with changes in stakeholders' interests and expectations and changes to the company and its operating environment. To review our material topics for the actual reporting period we took into account issues arising from regulatory developments[1], our collaboration with industry associations, external ESG ratings and ESG data providers, peer reviews and internal developments. We then compared them to the sustainability topics that Vontobel had already identified as material in previous reporting cycles. Since our six Sustainability Commitments represent the main levers that we believe we have as a global investment firm and corporate citizen, they form the main categories for grouping the material topics and, as of this year, the guiding structure of the report.

The Corporate Sustainability Committee (CSC), as the main governance and decision-making body for corporate sustainability with delegated authority from the Executive Committee, assesses and prioritizes the identified issues. In addition, a cross-functional team of experts has been in place since mid-2022, providing a platform for dialogue, coordinating and aligning views, and fostering the formation of opinion on operational, Group-wide sustainability matters.

1 For example, Art. 964a-c of the Swiss Code of Obligations, which had to be observed starting with the business year 2023. For further information, please refer to our "Swiss corporate reporting on non-financial matters index."

Sustainability within products and the integration of material topics with regard to investment decisions is managed within the respective boutiques. On the other hand, other sustainability topics such as human rights issues or importing precious metals may be less material on an operational level since Vontobel, as a financial service provider, is not active in the manufacturing of products. Furthermore our main business activities are carried out in Switzerland—where the Vontobel headquarters are located—as well as in other countries that have laws and regulations in place to combat child labor and forced labor. With regard to Art. 964 lit. j - lit. l of the Swiss Code of Obligations, Vontobel has assessed whether we comply with the requirements for due diligence and transparency in relation to minerals and metals from conflict-affected areas and child labor. It was concluded that Vontobel is exempt from the corresponding requirements pursuant to Art. 964 j. Further information on the Vontobel website is in preparation. For more details, please refer to the section on engagement and voting and "Risk management in our supply chain".

No significant changes were made to the list of material topics for the 2023 report compared to the previous reporting period. The material topics were applied to the report prepared in accordance with GRI standards.

In line with our regulatory reporting responsibilities under the EU Corporate Sustainability Reporting Directive (CSRD), we plan to update our materiality assessment in 2024. We will perform a designated double materiality assessment that includes both an impact and financial materiality dimension.

"The number of binding ESG regulations in the jurisdictions of our core markets is constantly increasing, which means that ESG issues in our industry have become considerably more complex. As a result, the requirements for transparent reporting and communication on the part of our stakeholders are also increasing. Vontobel recognized these developments at an early stage and proactively addressed them in the Legal and Compliance team."

—

Dr. Maria-Antonella Bino
General Counsel

Sustainability governance and oversight

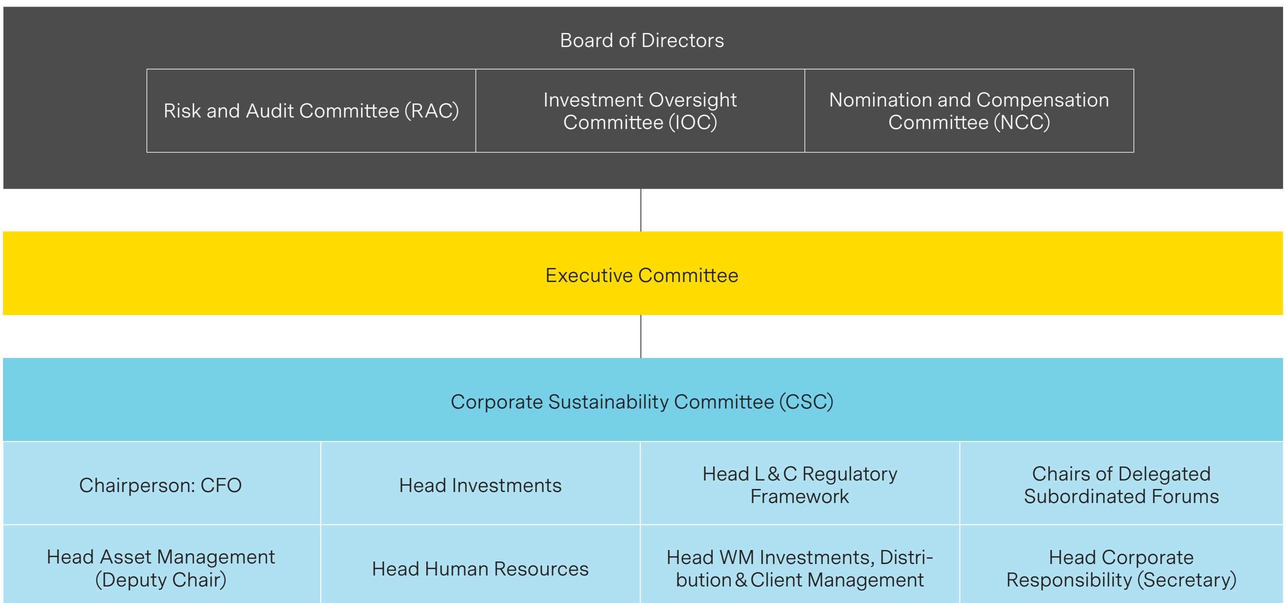
In 2023, we updated and sharpened our sustainability governance so that we are adequately equipped to deliver on our Commitments. Effective governance with clearly allocated roles and responsibilities is a key feature in the transition towards a sustainable future and is necessary for an organization to operate efficiently.

The Board of Directors (BoD) of Vontobel Holding AG is responsible for defining the overall strategic direction of Vontobel and for the approval of the strategy. As such, the BoD has a decisive influence on Vontobel's strategy, structure and culture. In order for the Board of Directors (BoD) to perform these duties credibly and to act independently from the Executive Committee (ExCo), it must be composed of qualified and experienced members.

With regard to sustainability, the BoD, together with the ExCo, has defined Vontobel's Sustainability Positioning and our six Sustainability Commitments in 2022. These Commitments lay out the foundation for our sustainability strategy and are our key levers for delivering on our Positioning.

On an operational level, the Corporate Sustainability Committee (CSC) is the main governance and decision-making body for corporate sustainability. It has delegated authority from the Executive Committee and is responsible for governing and overseeing the Group-wide sustainability initiatives, including ongoing activities ("run") and "change" oversight. The CSC is responsible for the supervision and implementation of the six Sustainability Commitments and external regulatory frameworks and for avoiding any form of greenwashing. Sustainability within products and the integration of ESG factors in our investment solutions is managed directly within the respective boutiques under the oversight of the Investment Management Committee (IMC). The Head Investments is a member of both the IMC and the CSC and provides regular updates to the CSC regarding these topics.

The CSC meets at least quarterly to discuss and decide on sustainability activities and initiatives. The CSC reports directly to the Executive Committee on a semi-annual basis, at least. The Executive Committee reports to the Board of Directors on sustainability. Sustainability matters, including climate-related issues including risks and opportunities, are thematized in the ordinary BoD meetings. In this context, the BoD is informed of and able to monitor progress of the six Sustainability Commitments. Over the past reporting year, sustainability was an important topic for the Board of Directors and was discussed in five meetings, including one dedicated ESG Board training session provided by external consultant. The training session focussed on the opportunities and challenges regarding sustainability and ESG aspects in the financial service sector, specifically on the regulatory developments in the EU and Switzerland, as well as the implication for and responsibilities of members of the Board of Directors. In 2022, the BoD, together with the management, was responsible for defining the company's overall Sustainability Positioning



"Governance and Transparency are crucial building blocks for ensuring that we achieve our sustainability goals. "Governance" is about ensuring that we have the right organization, processes, interfaces, roles and responsibilities to achieve our goals as soon as possible. "Transparency" both internal and external, is about giving stakeholders the information they need to enable them to make well-informed decisions. For example, it is important that our clients understand the consequences of their investment strategy."

–

Dr. Thomas Heinzl
CFO / CRO / CSC Chair

and thereby laying the strategic foundation for Vontobel's sustainability strategy and targets for the coming years.

In addition to its ordinary meetings, the Board of Directors holds an annual strategy workshop at which it addresses focus topics that are important for Vontobel's development over the medium and long term. The BoD consults with external experts, depending on the topic.

The CSC is chaired by the Vontobel Holding AG CFO / CRO (Chief Financial Officer / Chief Risk Officer) and its members involve all relevant areas in order to ensure that transformation is coordinated and driven forward across all Client Units and Centers of Excellence. Each of the six Sustainability Commitments is allocated to a dedicated member of the senior management team, who acts as the Commitment Owner and is operationally responsible for implementing and managing the respective commitment (e.g. the Head Human Resources owns the Great Workplace Commitment). All Commitment Owners are members of the CSC. The CSC members include the chairs of the three delegated subordinate forums: ESG Investment Forum, ESG Private Clients Forum and ESG Structured Products Forum. The subordinated forums are key to knowledge sharing among the different business areas and ensure horizontal communication around sustainability / ESG topics.

ESG Investment Forum
The ESG Investment Forum contributes to good ESG product governance by assessing new or re-positioned investment product quality through reviews of the investment approaches of boutiques and strategies in terms of ESG quality, resources, team set-up and ESG data usage, to name a few. The ESG Investment Forum discussions are centered on reviewing and challenging ESG approaches.

ESG Private Clients Forum
The ESG Private Clients Forum is responsible for the Wealth Management and Digital Investing Client Units to ensure that ESG-related governance in respect to external regulations and internal directives in connection with product approval and client advisory is set up and that all controls are in place for ensuring that ESG governance is followed. Furthermore, it supports Wealth Management and Digital Investing with technical questions and exchanges with the relevant governance bodies in order to ensure an alignment on ESG-related matters with the other Client Units and Centers of Excellence.

ESG Structured Products Forum
The ESG Structured Products Forum serves as the platform for discussing, reporting and agreeing on the way forward within the Structured Solutions & Treasury Center of Excellence and its offering and for ensuring that the defined ESG standards are enforced. It discusses regulatory developments as well as market trends.

Risk management

We operate our business with a focus on maintaining the satisfaction and trust of our clients, as well as on protecting and building the wealth they have entrusted to us. We always strive to pursue these goals in accordance with applicable laws, rules and regulations, and an efficient and effective risk management approach is an integral part of doing so.

The next section elaborates on the overall risk management approach of Vontobel and comments on the corresponding risk governance, key processes, and roles and responsibilities involved. It details how Sustainability and ESG risks are incorporated into our Group-wide approach.

At Vontobel, the Group-wide risk management framework forms the institutional basis for the overall risk governance and management practices of all Vontobel entities and all business activities. It describes Vontobel's general approach to risk management and details the annual risk cycle, and includes the following process steps: identification of risks, assessment of risks, monitoring of risks, control assessment and risk reporting. These are applied in order to guarantee an effective risk management system. The risk appetite describes the amount of risk Vontobel is willing to take as it pursues its strategic goals. A risk appetite is composed of a set of definitions, qualitative statements, key risk indicators (KRIs) and corresponding thresholds and limits along all of Vontobel's risks as defined by the Board of Directors, accompanied by a response framework, should the KRIs be in breach of the appetite.

Overall, the risks that arise from Vontobel's business activities are the following: credit risk, operational risk, market risk, liquidity risk and reputational risk (arising as a consequential risk from the first ones).

For further details regarding Vontobel's approach to risk management and risk control, please refer to the Annual Report page 167ff.

Risk governance
At Vontobel, the Board of Directors (BoD) is the highest governance body and is responsible for ensuring adequate risk management. The BoD selects and dismisses the members of the Risk and Audit Committee (RAC), the members and chair of the Executive Committee (including the Chief Financial Officer / Chief Risk Officer) and the Head of Group Internal Audit. The RAC monitors and assesses the institution-wide risk management framework, the integrity of financial statements, the Internal Control System, and the effectiveness of Internal Audit and the audit firm, as well as their interaction. The RAC receives the periodic consolidated risk reports for the attention of the BoD. It also periodically reviews the institution-wide risk management framework to determine its appropriateness and effectiveness, including the approval of the combined Group-wide stress tests together with the scenarios used and the relevant methods, as well as the approval of the detailed results of these stress tests. The RAC may conduct special reviews of or studies on important issues and request additional internal and/or external resources.

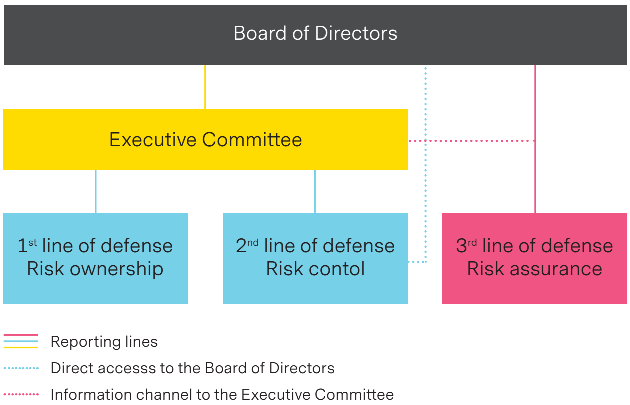
The Executive Committee is responsible for the operational management of the Group and for maintaining suitable processes in general, thus also for controlling the risks.

The Non-Financial Risk team oversees the practical application of the risk appetite framework. This includes defining risk limits and thresholds with KRI owners and relevant Client Units and Centers of Excellence, as well as monitoring Vontobel's risk profile.

Sustainability and ESG risk
Our approach to risk management also applies to Sustainability/ESG, including climate-related risks, and we are committed to continuing to fully integrate these into our risk management framework by means of appropriate procedures, practices and tools. As such, these risks are managed in accordance with the Three Lines of Defense Model and rely on the existing Internal Control System.

Under the Three Lines of Defense Model, the first line has ownership, responsibility and accountability for directly assessing, controlling and mitigating risks. The second line consists of the activities of specialist control functions, which monitor and facilitate effective risk management by the first line and ensure the flow of information on risk up and down the organization. The third line is Internal Audit.

While the three lines are organizationally segregated and their roles in the risk management organization are distinct, the model relies on a culture of collaboration, transparency and challenge between and within the lines of defense. The second line of defense functions—and in particular the independent control functions Risk Control and Compliance—must collaborate and share information to ensure comprehensive risk coverage and clear responsibilities and to avoid overlaps and control gaps.



Specific to ESG, the Non-Financial Risk team, which coordinates with colleagues from Primary Risk, acts as the second line of defense and, among other things, it is responsible for defining and propagating the Sustainability / ESG risk framework, developing the tools for identifying and assessing Sustainability / ESG risks, supporting scenarios, and undertaking stress testing. The first line is the Business that may be supported by a dedicated Business Risk Manager. These colleagues are responsible for implementing the Sustainability / ESG risk framework and must seek to identify and manage the related risks by designing and operating controls in accordance with Group standards.

In addition to the existing Group-wide risk management framework, we developed a dedicated Sustainability / ESG risk policy in 2023. This policy applies to all Vontobel legal entities and employees and lays out the areas in which the Client Units and Centers of Excellence need to develop and implement additional guidance and processes with regard to Sustainability / ESG risk. Vontobel identifies Sustainability / ESG risks as a driver of the existing risk categories rather than a fundamentally distinct risk category. Sustainability / ESG factors are relevant for all business and risk processes and, as such, the identification of possible impacts is done across all existing risk categories of the taxonomy, such as credit risk, operational risk, market risk and liquidity risk.

We define Sustainability risks as an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential material negative impact on the value of the investment. ESG risks refer more broadly to any negative financial impact on the institution stemming from the current or prospective impacts of ESG factors on its counterparties or invested assets. We therefore identify environmental risks, social risks as well as governance risks within our risk management approach.

In the context of climate-related risks, we consider the following risk drivers:

- Transition risk refers to Vontobel's or our clients' financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. This process may be affected especially by changes in policy, technology and consumer and market preferences.
- Physical risk refers to the impact of a changing climate (e.g. flooding) and environmental degradation. Physical risk can be split as follows:
  - Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events (e.g. cyclones, hurricanes or floods).
  - Chronic physical risks refers to long-term shifts in climate patterns (e.g. sustained higher temperatures) that may cause sea level rise or chronic heat waves.

There are further environmental risks for which physical risks are also relevant, such as environmental degradation in the form of water stress, biodiversity loss and pollution.

- Litigation risk refers to Vontobel's financial or reputational loss that can result directly or indirectly from climate-related litigation such as failing to take appropriate climate action or a breach of underlying frameworks.

Direct financial impact can be experienced through stranded assets, which are assets that have suffered from unanticipated or premature write-downs, devaluations, or conversion to liabilities.

In addition to environmental risk drivers, Vontobel also considers social risk drivers, such as employee relationships / labor rights and standards, human rights' violations, and changes in social policies to name a few, as well as governance risk drivers, such as governance practices including inclusiveness, executive remuneration, board independence, corruption and bribery, and the ways in which these risk drivers could potentially impact existing risk categories.

Key risk management processes

Vontobel conducts an annual exercise to identify and update the list of key Sustainability / ESG risks that could—if they were to occur—cause an actual or a potential negative material impact for Vontobel. The negative impact could be financial or non-financial.

In addition, a top-down climate scenario analysis / stress testing exercise is conducted across the books to assess the forward-looking vulnerability and resilience of Vontobel's business towards climate-related risks. Such a quantitative analysis enhances the risk management processes and aims to provide additional insights on the risks due to a transition to a low-carbon economy or due to intensified physical risks.

Risk management for our investment products

The way that Vontobel integrates Sustainability risks in its investment decisions and advisory services is detailed in our "Sustainable Investing and Advisory" Group policy.

As described on the previous pages, our risk management is based on the principles of clear delineation of roles and responsibilities and, accordingly, the Three Lines of

Defense Model is also applied within our investment solutions.

1st Line of Defense: investment teams and investment risk

Our investment teams, and especially the portfolio managers, are the principal risk owners. They are responsible for identifying and managing Sustainability / ESG risks as part of our investment process. They identify and monitor controversies based on the data from third-party providers and based on our own research. The investment manager's integration of Sustainability / ESG risks in the investment decision-making process is reflected in the Sustainable Investing and Advisory Policy. More information on how the Sustainable Investing and Advisory policy is implemented in specific products can be found at: www.vontobel.com/SFDR.

Our ESG specialists and analysts are embedded within all our investment boutiques to ensure knowledge transfer and collaboration in the risk identification and management process. Further, in the research meetings between the ESG specialists and the investment teams, there is a dedicated timeslot to discuss Sustainability and ESG risks and assess their impact on the portfolios. This process is further supported by the availability of trainings on ESG for the investment teams to ensure that they can adequately assess and manage these risks in their role of risk owners. Within the first line of defense, our investment teams are supported by the Investment Risk team, which assesses and advises on the mitigation of investment risks. It plays a crucial role in assessing the management of Sustainability risk considerations during regular portfolio reviews, especially for the products that integrate ESG criteria in their investment process.

2nd Line of Defense: Group investment control

In addition to the Group functions Non-Financial Risk and Legal and Compliance, the Group Investment Control function is responsible for independently overseeing the efforts of the first line; in this case, of the investment teams. Pre-trade and post-trade checks are the two main instruments of the second line in exercising control of investment risks and, specifically, of ESG. Pre-trade checks are used by a dedicated team in Compliance to assess whether an investment adheres to the investment guidelines, including ESG specifications. The system generates an alert (also within trade simulations) before the trade is executed to indicate to the portfolio manager that a breach would occur if the trade were to materialize. Trade-generated alerts are reviewed by Compliance and cleared if the trade would not in fact result in a breach.

Post-trade checks are conducted in the process of the daily portfolio review by the independent Investment Control team using our portfolio management system. In case of a breach, the portfolio managers are consulted for clarification, with corrective measures taken where appropriate, with consideration given to the investors' interests. If necessary, issues are escalated to the Boutique Head, the Head of Investments Risk Management and Compliance.

Further details on the investment risk management process and examples can be found in the AM ESG Integration and Stewardship report and in the respective fund prospectus.

Risk management in our supply chain

Vontobel strives to conduct its own operations in accordance with high environmental and social standards and we therefore also expect our business partners to adhere to the principles of responsible business conduct. These aspects are incorporated into our tendering process and serve as a guide when awarding contracts since 2021. The relevant details are set out in Vontobel's Guidelines for sustainable procurement. They address matters such as employment conditions, child labor, forced labor (modern slavery) and human trafficking, environmental protection, and the prevention of corruption. We expect our contractors to comply with these guidelines in order to work with Vontobel and to ensure that these guidelines are also observed by their own suppliers, subcontractors and employees.In 2023, more than 80 percent of our third-party spend was made in countries that can be assumed to have a low risk in relation to child labor, according to the UNICEF Children's Rights in the Workplace Index (Switzerland, Germany, UK).

As part of Vontobel's supplier management framework, new partners have to provide information about their environmental and social standards. In addition, Vontobel makes use of an external rating platform to monitor the volume and relevance of Sustainability risks related to its main suppliers. The platform monitors issues with regards to environment, human and labor rights, such as child labor and forced labor. The issues have been selected and defined in accordance with key international standards, such as the OECD Guidelines for Multinational Enterprises, the ILO Conventions and the ten principles of the UN Global Compact.

There were no significant changes to the supply chain compared to the previous reporting period. For more details, please refer to our Guidelines for sustainable procurement at: www.vontobel.com/principles-policies.

Compliance management

Effective compliance forms the basis of our long-term success and is therefore a core aspect of our business. Vontobel implements comprehensive, state-of-the-art measures to ensure continuous compliance with laws and regulatory requirements. As part of our Group-wide risk analysis, teams of specialists regularly assess all our business areas using appropriate compliance processes to ensure that they are legally compliant. New employees are issued with the Employee Handbook, which sets out specific guidelines and instructions. The most recent version of the Employee Handbook is always available on the intranet. All Vontobel employees are subject to specific directives setting out Vontobel's principles and guidelines. Current and comprehensive policies are accessible at any time and include the "Group policy on Conflicts of Interest". The values in the Code of Conduct are regularly addressed and are demonstrated from the top down.

Anti-bribery, corruption and money laundering
One of the main focus areas of our risk analysis is the identification of risks arising from money laundering or terrorist financing. The aim is to avoid business relationships that are used for money laundering or terrorist financing. In addition, we have a special process in place for monitoring our relationships with politically exposed persons (PEPs). Material issues are addressed during regular Legal and Compliance meetings, which are attended by representatives of the Executive Committee. In urgent cases, meetings are held on an ad hoc basis or decisions are reached by circular letter. Legal and Compliance produces half-yearly compliance reports for submission to the Executive Committee.

Another key area of focus in adhering to our compliance requirements is the provision of employee training on relevant topics in the area of anti-bribery and anti-corruption. All Vontobel employees have to complete mandatory compliance training (with the exception of Corporate Real Estate Management, the Reception and external employees). The training covers topics such as money laundering and terrorist financing, market conduct rules, anti-corruption measures and the protection of personal data. Moreover, all employees are obligated to undergo specialized training focused on conflicts of interest. This training utilizes specific scenarios to enhance awareness and hone the ability to recognize potential conflicts of interest. New employees are automatically enrolled in the training and have to complete compliance courses related specifically to their role or business area. VAMUS and TwentyFour Asset Management employees receive targeted training. In addition, we periodically conduct specific classroom-based training courses in the Client Units.

At departmental level, further training courses are offered to address the management of specific risks. These measures prevent breaches of internal and external rules and regulations.

Conflicts of interest
Vontobel strives to prevent conflicts of interest from arising in the first place. If they cannot be avoided, Vontobel has a structured process in place to ensure that they are documented and disclosed.

Employees are required to adhere to the Conflicts of Interest policy, which outlines guidelines for managing external mandates, gifts, entertainment and interactions with related parties. A system is in place to facilitate employees in systematically recording conflicts of interest.

Our public Conflict of Interest policy statement is available at: www.vontobel.com/mifid.

Members of the Board of Directors (BoD) and Executive Committee (ExCo) must conduct their personal and business affairs in such a way as to avoid any conflicts of interests as far as possible. In particular, this obligation applies to matters relating to other mandates they hold or activities they perform that could give rise to a conflict of interests. Each member of the Board of Directors must inform the Chair of the BoD (or, in case of the Chair, the Vice-Chair) of any conflict of interests—whether of a general nature or related to a specific matter to be discussed at a BoD meeting—as soon as the BoD member becomes aware of its existence. Executive Committee members have a duty to inform the CEO (or, in case of the CEO, the CFO / CRO) without delay about any such conflicts of interest. A conflicted BoD or ExCo member is not permitted to participate in related discussions and must abstain from voting. Additional measures may be considered appropriate to address a conflict of interest, including restrictions on the flow of information to the conflicted member of the BoD or ExCo member.

External mandates of BoD members are to be disclosed to the Chair (or, in case of the Chair, to the Vice-Chair) and approved by the Nomination and Compensation Committee (NCC) of the Board of Directors. External mandates of Executive Committee members are to be disclosed to the CEO (or, in case of the CEO, to the Chair) and approved by the NCC. External mandates of BoD and ExCo members are reviewed annually by the NCC. The BoD is informed by the NCC of any such mandates.

Over the last reporting period, there were no confirmed employee misconduct cases within our employee sanction management tool referring to corruption, bribery or conflicts of interest.

Data privacy and information security
The trust that clients place in us forms the basis for our successful long-term collaboration and is an important asset that is highly valued at Vontobel. We therefore place considerable importance to protecting client data and complying with all legal requirements in this context. The parameters for compliance with legal requirements relating to the protection of client data (such as banking confidentiality and data protection law) are defined and monitored by cross-divisional departments such as Legal and Compliance (with the Group Data Privacy Officer), Group Information Security (with the Chief Information Security Officer) and IT Security.

- Further information on how we gather and process personal data can be found on our webpage: www.vontobel.com/privacy-policy
- Further information on IT security is available at: www.vontobel.com/it-security

In the reporting year, no authorities issued sanctions against Vontobel for breaches of privacy or losses of client data.

Product compliance
Offering each of our clients the right solution or best possible service is the primary goal of our Client Units. Regulatory requirements apply in particular to producers and distributors of products and services for retail and private clients. Depending on the jurisdiction and the product or service involved, these duties include the preparation and provision of Key Information Documents describing the characteristics and functions of the products or services and the associated risks and opportunities and should ensure the comparability of products and services.

To continue developing our business, each business area carries out product development, client communications and marketing activities. The applicable legal regulations, such as the Swiss Financial Services Act (FinSA), the Swiss Law on Collective Investments or the Markets in Financial Instruments Directive (MiFID II) guide us in this area. We are an active member of various industry associations and help to shape rules in the area of self-regulation that are designed to provide greater transparency for investors, as well as complying with the corresponding provisions. In addition, Vontobel is a signatory of the Principles for Responsible Investment (PRI) since 2010 in the signatory category investment manager.

We strive to ensure that our products and services comply with the relevant applicable legal and regulatory requirements with regards to labeling and transparency. In the reporting year, there were no cases of misconduct or financial penalties for non-compliance with regulations governing the applicable requirements.

Our whistleblowing system

The success of our company and our positioning as an attractive employer both depend on our ability to foster an inclusive, open and inspiring corporate culture where individuals feel that they can safely express their opinion—or speak out about challenges or misconduct. Employees are encouraged to voice their concerns directly to their line manager or, alternatively, to the responsible contact person within Human Resources, Legal & Compliance and / or Internal Audit.

For regulatory reasons and to ensure that a process is in place to give individuals in conflict situations a platform, Vontobel has decided to introduce a new whistleblowing system. This makes it possible to not only report compliance breaches and misconduct anonymously and without fear of reprisals but to also communicate criticisms or propose improvements.

Since October 1, 2023, it has been possible for all employees as well as third parties to report an issue in English or German via one of the five different communication channels within the whistleblowing system: They can use the digital reporting platform, send an e-mail or letter, use the telephone hotline or submit a report during an in-person meeting. Comprehensive information on how to use the individual communication channels can be found on the externally managed homepage vontobel.integrityline.io. It also provides general information on the need to give as much detail as possible when submitting a report and underscores how important it is to act in "good faith". The technical aspects of the homepage are managed separately from the Vontobel infrastructure, which means that Vontobel cannot determine the identity of the sender.

All whistleblowing reports undergo a preliminary review by a specialist Swiss law firm. It then determines the extent to which the reported incident constitutes a legitimate protected disclosure.

As part of its initial evaluation, the law firm also offers legal advice and issues recommendations to the General Counsel of the Vontobel Group on possible next steps. Based on this input, the General Counsel decides whether an internal investigation should be launched. The General Counsel is responsible for overseeing the incident that is to be investigated; where necessary, internal and / or external specialists are also involved in the process.

To ensure the transparency of the process, the whistleblower is not only informed that the report has been received but is also notified about the next steps in the investigation. Vontobel itself does not have direct access to the information contained in the original report, and if any other communication with the whistleblower is necessary, this is carried out via the law firm; the whistleblower can opt to remain anonymous. Whether or not they remain anonymous, all whistleblowers who are acting in good faith are fully protected against any form of reprisals.

We are convinced that this new whistleblowing system will make a further contribution towards fostering a working environment in which each individual can develop and realize their full potential. Mutual respect, openness and freedom from discrimination are of key importance in this context, as is the creation of a transparent culture of collaboration in which we take the concerns of employees and third parties seriously and promote and preserve a speak-up mentality.

ESG investing and advice

As a global investment firm, Vontobel believes that our business activities investing and investment advisory represent one of our main levers that we can use to support the transition to a more sustainable future. Vontobel has formulated two commitments that relate to our core activities in Asset and Wealth Management. In Asset Management, our commitment focuses on the inclusion of ESG considerations into our investment decisions as part of our fiduciary duty. In Wealth Management, our commitment focuses on advising our clients about the benefits, opportunities, and risks of ESG investments.

Incorporate ESG consideration into active investment decisions

"We believe that ESG consideration is part of our fiduciary duty, requires investment team accountability and demands transparency. For this reason, our investment teams subscribe to four ESG Investment Principles. This foundation enables us to offer a wide range of ESG solutions, in response to our clients' desired investment objective(s), which can be any one, or a balance of, the following: 1. optimizing risk-adjusted performance through the consideration of financially material ESG issues; 2. mitigating negative environmental and social impact from investments; and 3. investing in companies that provide products and services that aim to actively and positively contribute to the UN Sustainable Development Goals (SDGs)"

For generations, Vontobel has acted and invested for the long-term. As an active investment firm, the integration of environmental, social and governance (ESG) factors into our product and service offering is a key part of our sustainability strategy. We incorporate ESG criteria into investment decisions to empower our clients to build better futures.

As a pioneer in this field, we have been offering our clients a range of investment solutions that incorporate ESG criteria since the 1990s. We focus on active asset management based on a multi-boutique model with highly specialized investment teams and dedicated ESG analysts. Our investment teams subscribe to four common ESG Investment Principles because we believe that ESG consideration is part of our fiduciary duty, requires investment team accountability, and demands transparency. The implementation of these principles is monitored in the Corporate Sustainability Committee (CSC), using selected key performance indicators (KPIs). This foundation enables us to offer a wide range of investment solutions, in response to our clients' desired investment objectives.

Our four ESG Investment Principles

1. We incorporate ESG considerations into our investment processes to enable our clients to better achieve their investment objectives.
2. As active managers, we leverage the tools of engagement and voting.
3. Our investment teams are accountable for the application of our ESG Investment Principles.
4. We are committed to transparency through disciplined disclosure, reporting and dialogue with all our stakeholders.

"We are investment-led and, to me, being investment-led means to display investment integrity in everything that we do. We can only help and partner with our clients if we do not compromise on the quality of what we do. This approach also underpins the path to sustainability. When it comes to ESG, we have aligned our multi-boutique business model, which consists of multiproduct, multi-investment teams, with four ESG Investment Principles."

–

Dr. Christel Rendu de Lint
Head Investments

Principle 1: We incorporate ESG considerations into our investment process to enable our clients to better achieve their investment objectives.
Vontobel offers a range of ESG solutions. To ensure transparency and comparability, we have grouped all our investment solutions that integrate ESG criteria into three categories[1]:

- "Integrated ESG Risks" (SFDR Article 6): Exclusion of controversial weapons and consideration of sustainability risks.
- "Promote ESG" (SFDR Article 8): In addition to the integration of Sustainability risks, these products consider material ESG factors and certain negative impacts on society and the environment during the investment process. Furthermore, subject to asset owners' consent and operational feasibility, voting and engagement are aligned with the ESG strategy, and ESG reporting is available.
- "Sustainable" (SFDR Article 8 or 9): In addition to the criteria applied to the "Promote ESG" category, these products further apply exclusions of certain sectors and industries. Moreover, SFDR Article 9 products mostly invest in companies that contribute to the realization of environmental and/or social objectives. These companies play a positive role in the sustainable development of the economy and society and capture opportunities arising from this transition.

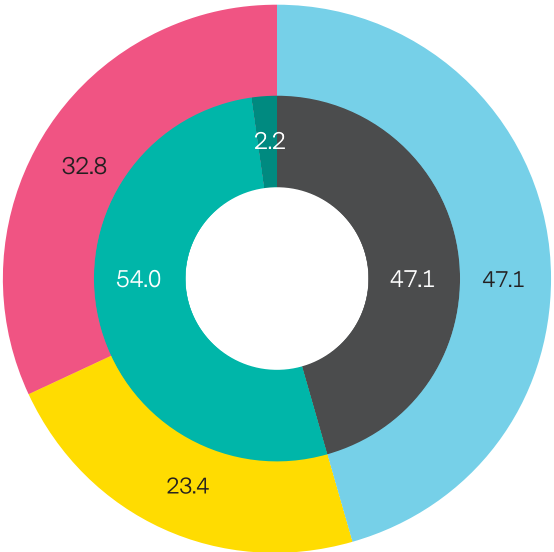
1 Not all of our products fall within the scope of the European regulation SFDR. Since at present, there is no uniform internationally recognized framework for financial products that integrate ESG criteria, in the case of investment solutions that are not subject to SFDR, the classification has been applied mutatis mutandis. SFDR stands for Sustainability Related Financial Disclosures Regulation, namely Regulation (EU) 2019 / 2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector. SFDR is not a labelling regime, but a disclosure regime. Accordingly, SFDR-article-products are not quality labels for sustainability and investors shall not take the mere presence of an SFDR-article-product disclosure as an indication of sustainability or quality label for sustainability per se.

We currently manage over 20 distinct strategies that integrate ESG criteria. In 2024, we plan to revise our product categories and product classification based on anticipated regulatory changes, particularly in the EU.

As of December 31, 2023, Vontobel had a total of CHF 103.3 billion of assets under management invested into solutions that incorporate ESG criteria (excludes Structured Investments). Due to rapid regulatory developments, categorization of Vontobel products has changed significantly and figures 2021 are comparable to the following years only to a limited extent. Non-discretionary mandates and Actively Managed Certificates (AMCs) are excluded from the figures after 2021. In 2021, total investment solutions that incorporate ESG criteria would be CHF 141.6 billion without these products (58.1% of AUM).

Principle 2: As active managers, we leverage the tools of engagement and voting.
As a signatory to the UN Principles for Responsible Investment, Vontobel Group commits to being an active owner and to incorporate environmental, social, and corporate governance (ESG) issues into its ownership policies and practices. We believe active ownership adds value between long-term partners. At the same time, we are convinced that voting and engagement can have a positive influence on companies, economies, societies, and the environment. Since 2019, Vontobel Asset Management has had voting and engagement policies in place, corresponding statements can be found under www.vontobel.com/esg-library. We engage with issuers for updates and issues of concern. As an active investment manager, we prefer to engage with the management of investee companies directly. We also use collaborative engagements, performed by third parties. Reasons to engage can include business strategy, corporate governance issues, change in the capital structure, remuneration issues and identified environmental and social risks. An important part of active ownership is our voting activities.

Investment solutions that incorporate ESG criteria[1,2]
IN B CHF



IN B CHF	2023	2022	2021
Sustainable	32.8	32.4	36.4
Promote ESG	23.4	21.5	-
Integrated ESG Risks	47.1	53.7	107.6
Total	**103.3**	**107.6**	**144.0**
IN % OF AUM[5]			
Sustainable	15.9	15.9	14.9
Promote ESG	11.3	10.5	-
Integrated ESG Risks	22.8	26.3	44.2
Total	**50.0**	**52.6**	**59.1**

1 Excludes Structured Investments
2 To ensure transparency and comparability, we have classified all of our investment solutions that integrate ESG criteria according to the SFDR. In the case of investment solutions that are not subject to SFDR, the classification has been applied mutatis mutandis. SFDR is not a labelling regime, but a disclosure regime. Accordingly, SFDR-article-products are not quality labels for sustainability and investors shall not take the mere presence of an SFDR-article-product disclosure as an indication of sustainability or quality label for sustainability per se
3 The change in AuM for the different SFDR categories in 2023 is partly due to a reclassification of products from Article 6 to Article 8.
4 Article 6 of the SFDR relates to products that disclose if and how ESG risks are taken into account. For all of the investment solutions considered here, the continuous monitoring of ESG risks forms part of the risk management process. This chart only shows those products covered by Article 6 of the SFDR that take account of ESG criteria.
5 Assets under management, see page 11.

Vontobel Asset Management recognizes that portfolio management of the assets of clients, which include stocks, may include an obligation to vote in relation to the stock. If authorized to do so, Vontobel Asset Management will vote in a manner which it reasonably believes to be in the best interest of the client and in line with any specific legal or regulatory requirements that may apply.

For further information regarding voting and engagement, please refer to the AM ESG Integration and Stewardship Report at: www.vontobel.com/esg-library.

Each year, Vontobel publishes a Voting and Engagement Report (www.vontobel.com/esg-library), which provides examples of engagement. The report for 2023 will be published in mid-2024.

Principle 3: Our investment teams are accountable for the application of our ESG Investment Principles.

ESG capabilities are embedded in our investment boutiques

We believe ESG considerations require investment team accountability. Our dedicated ESG analysts are embedded within our investment teams and their work is integrated into the investment process. This allows them to collaborate closely with financial analysts and portfolio managers, fostering a continuous exchange. It also ensures that our clients benefit from deep expertise in specific asset classes. In total, more than 30 specialists with different backgrounds work on ESG-related topics, be portfolio management, ESG research or overarching topics. They build on several years of investment experience and a strong track record in the ESG field. 14 of them are ESG analysts and are fully dedicated to ESG topics. They conduct ESG research and work on the further development of the integration of ESG considerations in our investment strategies. There are currently 35 portfolio managers that manage "Promote ESG" and "Sustainable" funds (19 are managing "Sustainable" funds). They apply the ESG investment process and work in close collaboration with the ESG analysts.

Complementing the work of the ESG analysts embedded in our investment boutiques, the ESG Center advises investment teams on the latest regulatory, market and product developments. This team plays an instrumental role in the continuous development of Vontobel's ESG framework, building the link between the investment teams and other functions. Each boutique is represented by an ESG Lead in the ESG Investment Forum which, among other tasks, serves as a platform to review and challenge ESG approaches and product governance structures. The members of the ESG Investment Forum shape the ESG product strategy, formulate investment-related ESG policies and assess investor-led ESG initiatives. The ESG Lead is appointed by the head of each boutique. In addition to the collaboration within the ESG Investment Forum, the exchange between ESG analysts is fostered through dedicated working groups.

Principle 4: We are committed to transparency through disciplined disclosure, reporting and dialogue with all our stakeholders.

Disciplined disclosure

We commit to transparently disclosing the ESG process that we apply for our financial products, where those integrate ESG criteria in the investment process. This information is typically included in the respective pre-contractual disclosures. The extent and focus of the disclosures depend on the ESG process applied, ranging from the sole consideration of financially material sustainability risks to investments in companies that positively contribute to an environmental or social objective.

Regular reporting on our ESG activities

In addition to the Sustainability Report, we regularly report on Vontobel's ESG activities through our yearly reports.

For Vontobel Group:
- UN PRI Transparency Report
- Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors

For Vontobel Asset Management:
- ESG Integration and Stewardship Report
- Voting and Engagement Report
- Voting records

In recent years, we further developed specialized reporting at product level, including:
- The disclosure of ESG data included in fund factsheets (available on a monthly basis on our website)
- Regulatory SFDR fund reports (available on an annual basis for our investment funds in scope of SFDR)
- Impact reports for listed impact strategies
- Individual reports for clients

While factsheets include standardized data, such as the fund's MSCI ESG rating or E, S and G scores, other reports are designed to be in line with the respective investment process and goals. The information covers for example aspects such as the ESG profiles and ESG ratings of certain investments, the ESG profiles of our mandates and funds—including benchmark comparisons—and CO_2 reporting or impact-related information based on the UN Sustainable Development Goals (SDGs). Regulatory ESG reports as well as the Impact Reports produced for selected strategies are available on our website at: am.vontobel.com.

Engaging in a dialogue with our clients and stakeholders is a central part of our commitment, reflected in client surveys such as the "Vontobel 2023 Impact Investing Survey". Since 2022, Vontobel has been an advisory partner to the Financial Times Moral Money Forum and is participating in the FT Moral Money Forum's Advisory Board. The FT Moral Money Forum examines important issues in the ESG debate and highlights the macro and philosophical questions involved, as well as exploring and presenting different solutions being developed by participating organizations. Through the advisory partnership, Vontobel has two seats on the Advisory Board, and we are thus helping to shape the topics covered in the Moral Money reports.

Advise our private clients on the benefits, opportunities and risks of ESG investments

"We advise our private clients on the risk / return characteristics of ESG investments to help them build portfolios that meet their goals, and we want to offer them a comprehensive product shelf to choose from. This will entail the creation of sustainability profiles for clients, based on their investment needs, across different regions and jurisdictions."

In Wealth Management Vontobel offers discretionary mandate solutions for multi and single asset mandates based on the client's needs and preferences for sustainable investing. Vontobel Wealth Management has developed its own ESG Framework which offers the basis for the classification of investment instruments and client preferences.

The ESG classifications are divided into the following three standards:
- **Risk-adjusted performance**: Optimizing risk-adjusted performance through the consideration of financially material ESG issues. This is the minimum standard which, unlike the other ESG classifications, does not pursue any explicit ESG objectives.
- **Mitigation of negative effects**: Mitigating negative environmental and social impact from investments. This is the middle standard, which builds upon the previous classification, and on top of it excludes certain sectors and companies that have a negative environmental and / or social impact measured by predefined indicators.
- **Positive contribution**: Investing in companies that provide products and services aiming to actively and positively contribute to the UN SDGs. In this classification in addition to the consideration of ESG risks and the exclusion of certain sectors and companies, a focus is placed on investments in companies that have a positive impact on the environment and / or society.

Within the Vontobel investment universe, an instrument or product is either assigned to one of these three ESG classifications, or it is categorized as an instrument that is not covered or not recommended.

The ESG Framework is continuously being reviewed to adapt to the changing market conditions and regulatory requirements. It is also modified in accordance with the applicable client's domicile and protection level as well as the corresponding regulatory requirements.

In the area of investment advisory, Vontobel supports private clients when investing in equities, fixed income or collective investments that are in line with one of the three ESG classifications defined for the offering for private clients and are covered by primary or secondary research providers, as well as our in-house fund research team. Within the Vontobel investment universe an instrument or product is either assigned to one of the three ESG classifications, or it is categorized as an instrument that is not covered or not recommended.

In order to systematically and efficiently provide sustainable investment advice to our clients, all our relationship managers and investment advisors have access to internal and external ESG research and analysis. This allows them to screen the investment universe not only based on fundamental analysis but also by taking account of ESG assessments and any controversial activities in combination with the internal list of recommendations of sustainable and ESG investments.

Our research team for Swiss equities has fully integrated ESG criteria into its company valuations and thus supports advisory services by providing in-depth guidance on sustainability issues related to Swiss stocks.

Additionally, our IT systems incorporate ESG criteria in order to monitor client portfolios—allowing for systematic oversight of the portfolios and supporting active communication with clients and the provision of appropriate advice. The majority of our research analysts, relationship managers and investment advisors hold the AZEK certificate "ESG for Client Advisors" (ESG-CA), enhancing our in-house ESG expertise.

All of these measures enable us to offer our clients more in-depth advice about the sustainability of investments on an ongoing basis.

We guide our clients by providing a holistic portfolio view that considers overall exposures to ESG risks and opportunities while remaining aligned with the Vontobel market outlook and the client's risk profile. We offer our advisory clients the opportunity to choose from three ESG preferences to align their investment decisions with their personal values and to participate in companies with solutions for a sustainable future.

"By introducing an expanded ESG Framework, we have given our relationship managers a tool to help them integrate ESG aspects into our advisory offering and to enhance the way in which we talk to clients about sustainability."

–

Georg Schubiger
Head Wealth Management.

In the area of wealth planning, we offer our clients the opportunity to invest in pension solutions (Pillar 3a, vested benefits and management pensions) that focus on investments that combine the goals of capital preservation and capital growth with ethical, environmental and social aspects.

A leading issuer of structured solutions

For many years, Vontobel has ranked as one of the leading issuers of structured solutions in Switzerland and the European Economic Area. We believe that structured products are important components of a diversified financial investment. However, these products are not directly covered by the scope of application of the relevant European legislation related to sustainability aspects of financial products. If investors express certain sustainability preferences, the largest possible number of different products should be available to meet those individual preferences. We look at two different levels of criteria when considering the specific sustainability features of a structured product: Criteria at the level of the issuer, or the group that the issuer is part of, and criteria at the level of the underlying. The classification of structured products and the identification of the sustainability features of a specific product are performed based on Vontobel's ESG product and transparency standards. For example, in addition to applying a dedicated ESG strategy to the selection of potential underlyings and taking account of exclusion criteria at the level of the underlying, the only products that can be classified as products with sustainability features are investment products—not leverage products. Investment products that profit from a downward movement of the relevant underlying are also excluded from being classified as a structured product with sustainability features. When selecting the underlying, Vontobel follows an ESG strategy that considers certain qualitative requirements (such as minimum exclusions) as well as other criteria (such as in-house research insights). Within the framework of the ESG strategy, the results of the respective Vontobel investment team as well as external data suppliers serve as the data source.

Company- and country-specific ESG assessments are prepared based on an in-house analytical approach. The valuation model used considers a broad range of ESG indicators. It is based on a modified best-in-class approach: In each sector, those issuers that meet sector-specific ESG criteria are eligible for investment. Stricter requirements apply in sectors with a major impact on the environment and society. For a core universe of issuers of shares and bonds, a detailed analysis is also carried out by the team of ESG analyst; this analysis also includes primary information from the respective companies and from publicly accessible sources. Externally sourced data is always subject to a plausibility check. This plausibility check is also important due to the current lack of uniform requirements regarding ESG ratings. Interested investors can identify structured products with sustainability features on our website markets.vontobel.com by selecting a filter when using the product search function. Our clients also have the option of structuring individual products with sustainability features. In addition, we offer structured solutions that focus on sustainability themes.

Critical ESG events

We define critical ESG events as controversies and breaches of international norms. They are often related to Principal Adverse Sustainability Impacts such as significant negative impact on the environment, forced labor, or child labor. Since these events can signal insufficient management of sustainability risks by an issuer and excessive harm to society or the environment, it is important to identify and monitor them.

To identify and monitor Potential Critical ESG Events (PCEE), Vontobel investment teams are informed by ESG data and assessment methodologies provided by external ESG data providers such as MSCI or Sustainalytics. The ESG assessment methodology of such providers typically takes into account the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO Core Conventions, and the UN Global Compact (UNGC). A full description of the respective ESG rater's methodology can be found on their webpages. Since the data obtained from third-party data providers may be incomplete, inaccurate, or unavailable, there is a risk of incorrectly assessing a security or issuer. To address this risk and to properly understand the impact and validity of PCEE, our investment teams conduct their own research to assess their impact on the relevant portfolio and on wider stakeholders.

Cluster bombs and land mines are banned by international conventions. In 2011, Vontobel therefore approved firm-wide guidelines that prohibit investments in companies that manufacture these types of arms and applies to all our investments. Stringent processes ensure that no manufacturers of cluster bombs and land mines are included in our investment funds, discretionary mandates or investment recommendations. Our guidelines on cluster bombs and land mines can be found at: www.vontobel.com/principles-policies.

Ensuring training and knowledge management

Since the internal certification for relationship managers known as the “Vontobel Curriculum” was launched, the topic of sustainability and ESG investing has been a significant standing component of the training. Developed specifically for Vontobel Wealth Management, this course consists of four days of classroom training as well as around 25 hours of e-learnings about topics such as finance, regulation and advisory capabilities. In 2023, the training sequence about ESG investing as part of the Vontobel Curriculum was fully updated, thus ensuring that employees across the entire Wealth Management have a thorough understanding of this topic.

As part of the commitment to continuous employee development within Vontobel Wealth Management, targeted training on the Vontobel ESG Framework was provided in 2023. This included the implementation of the self-regulation by the Swiss Bankers Association in the field of sustainable finance and means that Vontobel clients receive seamless service and advice at every stage of the investment process—from determining their ESG preferences and investing in suitable products to the ESG reporting in their statement of assets. This additional training component builds on the explanation of ESG aspects in various other training and development offerings.

Vontobel’s focus on sustainability as well as the topic of sustainable investing were aditionally covered in the monthly training courses for new employees in Wealth Management in 2023. This WM Entry Training, which is conducted over several days, ensures that new employees are ideally prepared to assume their demanding roles.

At Vontobel, we believe that on-the-job learning is the most effective form of training. Through our setup and the resulting close daily collaboration between ESG analysts and investment teams in Asset Management, we effectively foster the continuous sharing of ESG knowhow. During research meetings, general developments in the area of ESG are discussed. Further, certain mandatory training integrates ESG-related topics. For example, we run regular sales training that addresses ESG strategies as well as general training on ESG topics. Our analysts and investment professionals also have access to leading service providers such as MSCI ESG, Sustainalytics and brokers to access data research, and engagement. This allows them to not only learn more about the companies they are analyzing, but also to access best-in-class studies and webinars about ESG. We also regularly invite external specialists from our ESG research providers to provide an outside view on relevant issues.

Environment and climate

"By 2030, we aim to be net-zero[1] with our GHG emissions in our operations and banking book investments. Additionally, we aim to be net-zero with our GHG emissions in our trading book bond investments by 2050."

We recognize the need to take action and contribute towards the goals of the Paris Agreement in order to limit global warming and tackle climate change. Against this backdrop, Vontobel has formulated its Net-Zero Commitment which forms the basis of our climate strategy. While we have already outlined how we support our clients in their journey towards a sustainable future (see the "ESG investing and advice" section), our Net-Zero Commitment addresses our own operations as well as parts of our own assets (banking / trading book).

We acknowledge that at this point there is a thematic focus on climate within environmental matters. This is due to the relative maturity of guidance from standard-setters and regulators—notably the TCFD recommendations—compared to other topics. As part of our journey, we aim to cover further environmental topics in the future.

"Within our own operations, air travel is the largest source of emissions. By measuring these emissions, we foster transparency and through the implementation of an internal carbon price, we are internalizing the cost of these emissions. By doing this, we not only raise awareness but also cultivate a culture where responsible choices are incentivized."

–

Felix Lenhard
Chief Operating Officer

Our own operations

We aim to reach net-zero in our operations by 2030. In line with market best practice, we have set ourselves this ambitious target and aim to reduce as much of our emissions as possible, and to offset the remaining emissions using high-quality carbon-offset and removal options.

Included in our Scope 3 operational emissions are energy-related emissions not included in Scope 1 or 2, business travel with external vehicles, commuting, food, paper, printing, mailings, waste, and water. From this reporting period (2022 / 2023) onwards, we have also included IT devices. Other Scope 3 emissions are not included. Since 2009, Vontobel has been compensating all its operational emissions through the purchase of CO_2 emission certificates to support external projects that save the equivalent volume of emissions. In the context of its climate strategy, Vontobel is planning to develop its removal strategy and, from 2023 on, aims to gradually include CO_2 removal projects in its CO_2 certification portfolio.

For Scope 1 and 2, our measures are centered around the reduction of emissions through switching to energy-efficient measures. Our corporate real estate strategy is following the business strategy and is therefore also linked to our sustainability strategy.

The method used to prepare our greenhouse gas balance sheet is aligned with the requirements set out in the International Organization for Standardization (ISO) standard 14064-1, as well as the accounting standards defined in the Greenhouse Gas Protocol. In addition to ISO 14064-1, the recommendations set out in the GHG Protocol Corporate Standard issued by the WRI and WBCSD have been taken into account.

When selecting and renovating office buildings, we systematically focus on energy-efficient measures to achieve energy savings. High energy standards and the good insulation of building envelopes are part of this approach. The use of energy-saving LED lighting is a standard feature of all of our new and renovated office buildings. Wherever possible, we also install LED lighting in existing buildings in view of the substantive reductions in electricity and maintenance costs that can be achieved. This form of lighting also results in less waste requiring special disposal. Since 2021, all buildings on the Zurich Campus have been heated and cooled using heat pumps that operate on the basis of geothermal probes or are fed with water from Lake Zurich

1 Net-zero means achieving a balance between emissions and removals of GHGs from the atmosphere (ISO IWA 42:2022), Scope 1-3 in our own operations and Scope 1-2 in our banking book bond investments in non-sovereign issuers. Our commitment is aligned with the 2015 Paris Agreement goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We plan to reduce emissions as far as possible and we aim to offset residual emissions at the net-zero target year and any GHG emissions thereafter.

Achievements in reducing our energy consumption
Our energy consumption fell significantly in the reporting year, primarily thanks to the reduction in fuel consumption from non-renewable sources (e.g. heating oil). This reduction is noticeably reflected in the reported data for Scope 2 emissions and was realized through the correct inclusion of some of the locations in the data collection process (heated by district heating and heat pumps), the discontinuation of one office location in Zurich, and overall lower heating requirements. The operation of heat pumps means that electricity volumes have increased slightly.

Vontobel has been purchasing electricity from renewable sources for all of our locations globally since 2013—either directly or otherwise indirectly through regional Guarantees of Origin. The indirect purchase of renewable energy in the form of regional Guarantees of Origin is the approach taken if it is not possible to directly purchase electricity from renewable sources. This is the case if, for example, Vontobel leases its offices at a location and cannot influence the electricity mix used in those premises. When purchasing Guarantees of Origin for renewable electricity, we comply with the requirements of the CDP and obtain them from the countries where the electricity consumption actually occurs. This drives the expansion of global capacity for the production of electricity from renewable sources.

A focus on business travel
Scope 3 emissions—especially business travel—have historically, and in the past reporting year, been Vontobel's largest source of operational emissions.

In the year under review, our business travel and commuting increased significantly again. This was driven by the complete lifting of travel restrictions following the Covid-19 pandemic and the full integration of our colleagues of Vontobel Swiss Financial Advisers (SFA) after August 2022.

Due to their high relevance in Vontobel's operational GHG accounting, Scope 3 emissions and business travels are included into Vontobel's Net-Zero Commitment and Vontobel is currently defining measures on how to reduce these emissions as much as possible. One measure that is currently in its implementation process is the introduction of an internal carbon price for business travels.

Materials and gastronomy
Although less significant for our overall footprint, Vontobel also measures its use of materials. We purchase a large quantity of products and services from external providers, including facility management services, IT infrastructure, and the design and production of printed materials, as well as catering and cleaning services. Wherever possible, we work with local suppliers to ensure that goods are transported over short distances. We are committed to building fair, long-term partnerships with our suppliers. For example, we have been sourcing fruit for our employees from a Swiss family business for many years, and all of our print orders in Switzerland are awarded to Swiss printing companies. A major proportion of the advertising and Christmas gifts used throughout the company are also purchased from Swiss providers. At the end of 2023, we had around 2,000 suppliers in total, of which 80 percent were based in Switzerland.

In the reporting year, we continued the One Two We program introduced in our employee restaurant in 2013 and the One Climate Menu launched in connection with that program. The aim is to offer more meals that mainly use seasonal products and include fewer products that are transported by air and less meat, while making increased use of different types of cereals as an alternative to rice—thus reducing the carbon footprint in the food chain. The permanent buffet "Vegan Corner", which was introduced in 2020, has become popular with vegans and non-vegans alike. In 2021, the offering was expanded to include a selection of raw vegetables and fruit. The SV Group that operates the employee restaurant on behalf of Vontobel sends its chefs to Hiltl, the world's oldest vegetarian restaurant, for further training in this area.

In the reporting year, the consumption of recorded resources and materials increased again, driven primarily by the return of more employees to Vontobel's offices after previously working from home.

Water consumption data can only be compared to previous years to a limited extent: we receive invoices at different times, depending on the water supplier. It is not always possible to clearly determine the amount of water supplied.

Our own investments

Our banking book constitutes an important lever along our path towards sustainability and for delivering on our Sustainability Positioning. To set ourselves an ambitious target, in 2022, we committed to achieving net-zero in our own bond investments for non-sovereign issuers by 2030 for our banking book and by 2050 for our bonds in the trading book.

In the case of the bond investments in the banking book, we have a fiduciary duty. In 2022, we added a dimension to our fiduciary role, namely to invest proceeds from deposits not only safely and in a liquid manner, but also responsibly and in line with the commitment to achieving net-zero by 2030 in case of bond investments. The Paris Agreement aims for net-zero greenhouse gas emissions by 2050 in order to limit the temperature increase to 1.5°C by 2100. This is a challenge insofar as many corporates and sovereigns globally are not targeting net-zero emissions until 2030, since they follow the Paris Agreement. This means that, by 2030, the GHG emissions from bond investments financed through the banking book may not be zero. In this case, offsetting projects will be selected to compensate the GHG emissions eventually.

Our "net-zero strategy by 2030" is based on the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) and the Greenhouse Gas Protocol Category 15: Investments (Technical Guidance for Calculating Scope 3). We track the financed GHG emissions of the bond portfolio compared to the decarbonization path aligned with our Net-zero Commitment by 2030. In scope for the strategy are corporates and corporate-like issuers (e.g. supranational organizations and government-related entities). We track issuers' Scope 1 and 2 GHG emissions. Scope 3 emissions are out of scope as the data situation is still insufficient, imprecise, and double counting cannot be ruled out. In addition, we apply forward-looking metrics such as the implied temperature rise provided by MSCI ESG research and verified SBTi (Science-Based Target Initiative) targets to identify issuers with a credible decarbonization strategy. As mentioned above, to be aligned with the Paris Agreement, corporates will mostly set their decarbonization strategies to reach net-zero by 2050. This means that by the end of 2030, the financed GHG emissions of corporate and corporate-like bonds in the banking book may not be zero.

"With our Net-Zero Commitment for our banking book bond investments, we are adding a dimension to our fiduciary role, namely to invest not only safely and in a liquid manner, but also responsibly."

–

Markus Pfister
Head Structured Solutions & Treasury

In 2023, we decided to align the metrics and targets with the latest developments as guided by the Greenhouse Gas Protocol and PCAF. Therefore, we plan to report on quantitative targets and metrics in the Sustainability Report 2024.

Environment and climate in figures

Operational emissions[1,2,3]

	☑ 2023	2022[9]	2021
Emissions (absolute)			
Total greenhouse gas emissions (t CO_2e[2])[4]	6,248	5,044	2,866
Greenhouse gas emissions Scope 1[5,6] (t CO_2e)	213	717	626
Greenhouse gas emissions Scope 2[7] (t CO_2e)	234	368	377
Greenhouse gas emissions Scope 3[6,8] (t CO_2e)	5,801	3,959	1,863
of which business flights (t CO_2e)	*4,383*	*3,100*	*1,103*
of which commuting (t CO_2e)	*502*	*253*	*236*
Emissions (per full-time person)			
Total greenhouse gas emissions (kg CO_2e/FTE)	2,265	2,314	1,382
Greenhouse gas emissions Scope 1&2 (kg CO_2e/FTE)	162	498	-
Greenhouse gas emissions Scope 3 (kg CO_2e/FTE)	2,103	1,816	-
of which business flights (kg CO_2e/FTE)	*1,589*	*1,422*	*532*
of which commuting (kg CO_2e/FTE)	*182*	*116*	*114*

Mobility[1,3]

	2023	2022[11]	2021
Travel (absolute)			
Business travel (1,000 km)	13,708	9,896	3,493
of which business flights (1,000 km)[10]	*11,987*	*8,883*	*3,043*
Commuting (1,000 km)	19,810	14,347	12,005
Travel (per full-time person)			
Business travel (km/FTE)	4,970	4,540	1,685
of which business flights (km/FTE)	*4,346*	*4,075*	*1,467*
Commuting (km/FTE)	7,182	6,582	5,789

Energy[1,3]

	☑ 2023	2022	2021
Energy (absolute)			
Total energy consumption (MWh)[12,13]	10,792	12,321	11,902
Electricity consumption (MWh)[14]	6,471	6,785	6,275
District heating/cooling usage (MWh)	3,087	3,390	3,103
Electric heat pump (MWh)	379	-	-
Fuel consumption (MWh)	856	2,146	2,524
from non-renewable sources (natural gas, heating oil, MWh)	*823*	*2,105*	*2,426*
from renewable sources (biogas, MWh)	*33*	*41*	*98*
Energy (per full-time person)			
Total energy consumption (kWh/FTE)	3,912	5,653	5,786

Materials[1,3]

	2023	2022	2021
Materials (absolute)			
Water (drinking water, m^3)	25,677	21,006	22,369
Food (t)	115	86	86
Paper (t)	79	79	68
Proportion of recycled paper used	99%	84%	94%
Materials (per full-time person)			
Water (drinking water, l/FTE)	9,309	9,637	10,787
Food (kg/FTE)	42	40	41
Paper (kg/FTE)	29	36	33

Environment and climate in figures – footnotes:

1 Figures are based on the period from October 1 in the previous year to September 30
2 We base our carbon emission calculations on the GHG Protocol. The emissions factors used were compiled using various sources, including Ecoinvent, IPCC, mobitool, Defra, Messmer, Frischknecht, Treeze and BAFU/BFE. The Global Warming Protocol (GWP) is usually 100 years. The figures comprise all of the "Kyoto greenhouse gases" (CO_2, CH4, N2O, HFCs, PFCs, SF6, NF3) and are therefore stated in CO_2e. Consolidation approach for emissions: Operational control
3 Where no invoices or measured data are available, we use projections with conservative assumptions. Projections and relative figures (per FTE) are based on the number of people using Vontobel's facilities as of 30.09.2023 in full-time equivalents. This also includes on-site external staff that is not employed by Vontobel. The internal process for data collection and reporting of HR data and reporting has been specified and refined in 2023. As a result, environmental data is only comparable with previous years to a limited extent (data from previous years has not been restated)
4 CO_2e or CO_2 equivalent: Each greenhouse gas can be converted to carbon dioxide (CO_2) in terms of its greenhouse effect
5 Scope 1 comprises emissions from heating (natural gas, biogas and heating oil), refrigerant leakage as well as business travel (vehicles owned by the company)
6 There was no biogenic CO_2 emission from combustion or biodegradation of biomass
7 We calculate our Scope 2 emissions according to the market-based approach, which takes account of electricity purchased individually by Vontobel (e.g. electricity from renewables) in locations in which information is available about the energy mix purchased. Find the calculation according to the location-based approach in our TCFD index
8 Operational Scope 3 emissions include energy-related emissions not included in Scope 1 or 2, business travel with external vehicles, commuting, food (meat, fish, vegetable and fruit from the staff restaurant in Zurich), paper, printing, shipping, waste and water. In 2023, IT-Devices were included for the first time. Without these, GHG emissions would be 257 t lower, or 4.4% (Scope 3) and 4.1% (total emissions). Other Scope 3 emissions are not included
9 The emission from business flights for 2022 has been restated to include TwentyFour Asset Management (+155t CO_2e). Figures for Total, Scope 3 and per FTE have been restated accordingly
10 Flights of contingent staff cannot be recorded by Vontobel and are therefore not included
11 The number of business flights for 2022 has been restated to include TwentyFour Asset Management (+336,000 km). The Total and the relative key figures were restated accordingly
12 1 kilowatt hour (KWh) corresponds to 3,600,000 joules (J)
13 no steam consumed or sold
14 incl. home office energy consumption

Great workplace

“Our work practices advance equality, diversity and inclusion and foster a workplace environment where everyone has the opportunity to develop and reach their full potential. Mutual respect and openness, without discrimination, shape our culture.”

The skills and expertise of our employees are vital to Vontobel’s long-term success. We are aware of the competition that exists for skilled employees. As a globally active investment firm, Vontobel has to compete with major players and increasingly also with new, smaller companies in our industry, both in the domestic Swiss market and internationally. We therefore want to offer our employees attractive employment conditions. Corporate Human Resources (HR), which reports to the CEO, is responsible for supporting Vontobel and its leadership in delivering on our strategic priorities, ensuring the smooth delivery of people operations globally, and positioning Vontobel as an attractive employer.

Employment

Our Code of Conduct lays out the principles that shape the way we work at Vontobel, along our values and behaviors. It is the overarching framework that guides how we engage with our stakeholders, including our employees, and therefore provides the basis for our internal policies, HR programs and processes, and standards regarding employment.

Our HR setup gives support to our colleagues across geographies. We have HR presence in Switzerland, Germany, Luxembourg, the UK and the US, and we tailor people practices to align with local laws, customs and workplace cultures while maintaining a cohesive global company culture. We provide comprehensive and local employee handbooks that cover employment conditions, benefits, training and other relevant information.

As a future-oriented employer, Vontobel offers employees attractive benefits:
- Holiday entitlement that exceeds the statutory requirement: Since 2016, our employees in Switzerland have had the option of purchasing a maximum of 10 individual days of holiday in addition to their normal holiday entitlement.
- Collective agreements offered by health insurers at reduced rates together with their spouses or registered partner and their children.
- Attractive share participation plan, mortgage products and attractive pension products at preferential rates.
- Six months of maternity leave or four weeks of paternity leave on full pay in Switzerland, which goes beyond the statutory requirement. Depending on the employee’s personal needs, this period of leave can be taken on a fixed or flexible basis. This benefit is granted irrespective of the employee’s number of years of service .
- As a member of kcc group (globegarden), we offer facilitated access to childcare solutions.
- Free-of-charge lunches to employees in our staff restaurant in Zurich.
- We meet requests for remote and part-time working arrangements from employees wherever possible from an operational perspective.

The benefits offered by the company may differ depending on the location, country or contractual basis.

Vontobel fosters an inclusive culture where feedback is key. We carry out a firm-wide employee survey every three years. The purpose of this global survey is to evaluate where the organization as a whole can improve and where we are already performing well. Our collaboration with an external partner enables us to produce an industry comparison as well as benchmarking with other high-performing organizations.

The last global employee survey was conducted in 2021. Our high response rate of 81 percent (up from 78 percent in 2018) is a sign of employee engagement in itself and goes against external trends, where global survey response rates have dropped over recent years. Overall, results were significantly better than the industry benchmark and also stronger than in 2018 across most categories and topics. Employees also felt significantly more confident about our survey follow-up (+11 percent).

Collaboration, leadership, image and competitive position were key drivers of engagement and 93 percent of our employees are proud to work for Vontobel. Since the survey in 2018, we have also recorded a significant improvement in the “Diversity and Inclusion” category and have observed positive trends in the “Line Management,” “Image” and “Communication” categories.

As part of our way of measuring employee engagement, we also conducted a manager survey in 2023 with overall results stabilizing at a high level of satisfaction and, again, a high response rate of 78 percent. Top strengths are managers showing respect and consideration (95 percent favorable score) and manager communication (91 percent favorable score). Both scores had increased since the last survey in 2020. While favorability scores are high across the board, there is most room for improvement—compared to the high-performance norm group—in terms of managers reaching out for upward feedback (65 percent favorable score) and increasing their focus on the development of their team members (80 percent favorable score). Follow-up actions are already being implemented to address these areas for improvement.

Training and education

Vontobel's ability to achieve its business goals is reliant to a significant extent on the skills and motivation of our people. Employees have high expectations regarding the provision of training and development opportunities within a company. Moreover, life-long learning is growing increasingly important.

To remain attractive as an employer, meet the increasing demands of our clients and reinforce workplace engagement, we offer targeted training and development opportunities. Our development curriculum covers an exciting range of topics and caters for different skills and learning needs to address the requirements of leaders, managers, teams and all employees.

Most of our training continues to be carried out face to face and virtually to ensure that it is accessible to all employees worldwide.

All new employees start by completing our onboarding program. New joiners worldwide can now connect to our systems and benefit from our new onboarding e-learning, which was launched in 2023. They all have access to the internal "Getting started" platform, which offers comprehensive information to ensure that their career at Vontobel gets off to a smooth start. Furthermore, we place strong emphasis on our buddy program, which allows new joiners to quickly ramp up and build personal connections.

During the onboarding phase, new joiners can also take part in a networking session with our CEO and other leaders.

Vontobel invests in learning solutions and resources for leaders, managers and all colleagues that focus on non-technical professional skills, such as communication, influencing, time management and project management.

In 2021, we introduced a professional skills development curriculum for all employees that we continue to offer. In 2023, the topics covered were identified based on the findings of a training needs survey conducted across business units and different employee levels. Programs included topics around productivity, mental wellbeing, collaboration and execution. The programs offered a combination of online content and virtual instructor-led classes, as well as peer-to-peer assignments that helped participants embed their learning in their day-to-day work.

We also collaborated with Leqture, a curator of expert speakers, and delivered two short virtual expert talks on growth mindset and time management that attracted over 500 employees and received very positive feedback.

In 2022, we ran a proof of concept with over 500 managers, offering them access to high-quality digital resources, including articles, podcasts and videos, on strategic challenges facing the organization. In the reporting year, this digital library was made accessible to all colleagues in Vontobel via our intranet. Employees also have access to the online learning platform Degreed, which offers self-directed online learning resources from LinkedIn Learning and Udemy for Business.

With our External Education Guidelines, we provide further support for employees seeking to complete external training that involves business-specific qualifications, such as the Master in Banking and Finance, Bachelor or Master in Business Administration, CFA or CIIA. We offer to pay part or all of the costs of training, depending on whether it is essential to the employee's role at Vontobel or for their personal development. Managers can coach and decide how to support the development of their team members.

Since 2020, the Swiss Association for Quality (SAQ) has recognized the training courses offered to relationship managers in Vontobel Wealth Management as recertification measures. The corresponding offering was updated in 2023. This is a benefit for relationship managers, since the completion of trainings according to this nationally accredited SAQ standard further enhances their own employability.

To assess the quality of our programs, we ask participants to complete a survey about the content and design of courses and their relevance to their role. We then evaluate the quantitative and qualitative responses to the survey. This feedback enables us to make comparisons with training and development activities from previous years, as well as with industry benchmarks. It also allows us to make immediate improvements to the design and delivery of training courses and helps us decide on future collaboration with providers.

Our young talent program
The Vontobel Graduate Trainee Program (GTP) has been promoting the successful integration of young talent within our organization since 2011. In October 2021, the program was extended to all areas of our business for the first time.

A new group of 6 graduates joined the company in October 2022 and we were excited to welcome the new GTP cohort of 9 talents in October 2023. Our goal is to attract the most diverse group of candidates possible for our program. In 2022, half of the recruited talents were female; in 2023, more than half were female. The GTP includes a development plan with different networking and development opportunities.

To further support our emerging talent, we continued with our internal mentoring program for 45 employees at Vontobel. Each of the participants had a senior mentor who enabled them to articulate their personal goals, prepare an action plan and progress towards their objectives. We worked with the Singapore-based training company Protégé, which ran skills development workshops virtually for the participants and their mentors to help them make the most of the mentoring relationships.

Our goal-setting and development process
We consider it important for employees to take responsibility for their own development. We are therefore continuing to invest in our Performance & Development process. Setting clear goals and managing performance are key responsibilities for managers and employees as this ensures clear focus and alignment regarding the achievement of our targets.

Vontobel's performance and development process covers goal-setting, ongoing and annual reviews, and the provision of regular feedback. Employees can also draw up a personal development plan in consultation with their line manager that focuses on their strengths, weaknesses and career goals. To reinforce our feedback culture, we encourage all employees to request and provide feedback via our HR systems throughout the year as part of the ongoing and annual review process.

In 2023, we launched the Dive into your Development campaign to put a spotlight on careers and performance and how to use development to improve current performance and make progress towards future career goals.

At the end of 2023, more than 97 percent of employees had begun or completed their annual performance review process.

As a rapidly growing organization, we believe that the development of managers from within our own ranks is a priority to achieve our strategic objectives and drive our success. While leading a team is a privilege, it comes with responsibility. Our Leadership Development Framework is therefore designed to ensure that our managers have the skills and confidence necessary to effectively meet the diverse needs of the business units and teams they lead.

Between 2020 and 2022, 123 senior leaders (out of over 150) completed the IMD Leadership Program, learning about inspiring leadership, global and cross-cultural thinking, and self-reflection.

Managers have the opportunity to participate in "Leading high-performance teams through feedback" training, which is run in conjunction with the University of St. Gallen (HSG). 300 out of more than 400 managers completed the program, which focuses on building trust, delivering direct and constructive feedback, and managing performance conversations.

In 2022, all managers who had previously completed the IMD Leadership Program or the HSG "Leading high-performance teams through feedback" course were invited to complete "Leading with Impact" which was also developed in collaboration with the University of St. Gallen and focuses on team impact and strategy communication. Through 2022 and 2023, out of over 300 leaders and managers who were invited, 209 completed the Leading with Impact program.

We have increased collaboration within teams by delivering TypeCoach workshops, which use an MBTI assessment and help teams understand each other's differences and collaborate more effectively. We have also designed and run customized workshops for teams that focus on engagement and feedback.

Training[1]

	2023	2022	2021
Hours of training (per employee)[2,3]	16.6	15.3	-
Permanent employees	*16.8*	*15.7*	-
Temporary employees	*14.3*	*9.8*	-
Training expenses (1,000 CHF)[4]	1,815	2,374	1,805
Number of apprenticeships	32	29	28

1 GRI Disclsoure 404-1
2 Internal Training
3 Based on the number of employees who received training in the reporting year
4 Including external training covered by a training agreement

Diversity, equality and inclusion

Vontobel is dedicated to cultivating an equitable and inclusive workplace, endorsing diversity and eliminating discrimination. These principles are encompassed in our Code of Conduct, an essential component of our employment agreements.

Our Diversity, Equality & Inclusion (DE&I) Strategy is designed to develop a work culture that meets the needs of all employees, attracting, nurturing and retaining top talent. This strategy is woven into our overarching business strategy to fulfill the expectations of our diverse stakeholders.

In 2022, we approved our DE&I principles, providing clear guidelines to strengthen diversity and inclusion throughout the organization. These principles mirror our global strategy.

"We want to be the employer of choice within the industry, where everyone is proud to be part of the team."

–

Caroline Knöri
Head Human Resources

To achieve our DE&I objectives, these topics are actively addressed by our management team. DE&I training has been integrated into our leadership development programs and all HR processes. DE&I goals that support our long-term goals have been introduced for all members of the Executive Committee, the Global Executive Board and their direct reports. Introducing a DE&I Dashboard that shows current, up-to-date data means we can regularly review our progress and trends and act upon these. We monitor our progress through internal evaluations and external benchmarks, such as the Advance Gender Intelligence Report and the University of St. Gallen's Diversity Benchmarking Report.

We also run initiatives to raise employee awareness about DE&I. Our long-term goals for 2030 include:
– **Equal opportunities**: at least 30% of management positions and 25% of team leadership roles are to be held by individuals from underrepresented genders.
– **Cultural diversity**: an international workforce that understands our clients' diverse nationalities and needs.
– **Demography**: a workforce that is diverse in age.

To support these goals, we are part of alliances such as Advance, Fondsfrauen, University of St. Gallen, parents@work, Womenbiz, Data+Women and ElleXX. We run skill-building programs for managers from underrepresented genders in partnership with Advance and offer workshops for all managers to encourage inclusive leadership.

Our Parents@work peer coaching program assists working parents in balancing their professional and family lives, with coachees receiving support from a colleague for a year.

In terms of **cultural diversity**, we rely on a multitude of diverse voices to understand our clients' needs and innovate solutions that fit. With headquarters in Zurich and offices in 27 locations globally, we build our teams to ensure a balance between our Swiss roots and the nationalities of our clients: our employees represent over 60 nationalities.

Demographically, the varied experience and sharing of knowledge within our teams is critical for sustainable company success. Young professionals and experienced colleagues work together to benefit our clients with solutions that are future-oriented, fresh and feasible.

At Vontobel, inclusion implies providing everyone with equal access to opportunities and resources and fostering a respectful environment where every individual contributes to the company's success. We expect our managers to encourage this culture and actively participate in initiatives that promote our goals.

In 2023, we held two entire weeks dedicated to DE&I. With nearly 40 engaging events (25 Vontobel internal events, 2 events with our cooperation partner Advance and 12 events by University of St. Gallen), more than 40 speakers, co-hosts, panelists, facilitators and almost 1400 registrations from Vontobel employees, it was an extraordinary journey that showcased our collective commitment to fostering an inclusive and diverse workplace. The attendance at the events demonstrated the genuine interest and commitment of our Vontobel community in relation to creating a workplace that celebrates diversity and inclusion.

We remain committed to promoting equality among all genders and are signatories to the Advance Diversity Charter (CH) and the Women in Finance Charter (UK), affirming our commitment to gender balance. We continuously strive to increase the representation of individuals from underrepresented genders in leadership roles, ensuring balanced gender representation in hiring and promotion processes, while promoting fair and transparent selection procedures.

By addressing these DE&I issues, we aim to create a harmonious and inclusive working environment. We believe that this commitment to diversity will benefit all our employees and will help our business to thrive in an increasingly diverse and global market.

In relations to the above, the annual Diversity Benchmarking by the University of St. Gallen attests to Vontobel having a relatively high proportion (33 percent) of employees that identify as female, with 45 percent of these in junior management roles, which indicates a strong diverse pipeline. However, we face a drop in female representation in higher leadership positions. The share of women among external hires is, however, above the current share, which shows a positive trend.

In 2021, the Competence Center for Diversity & Inclusion (CCDI) at the University of St. Gallen performed an equal pay analysis for Vontobel. The results showed that Bank Vontobel AG and Vontobel Asset Management AG have a minimal pay gap within the acceptable range set by industry standards. This analysis, reviewed by the Social Partnership Centre for Equal Pay in the Banking Industry (SF-LoBa), has led to us being recognized with the "Equal pay audited in accordance with the requirements of the Equal Opportunities Act" label. Further information is available on page 81.

All employees have the right to have their personal integrity protected at work. We define this as their physical and psychological integrity, which are to be protected in particular against sexual harassment, mobbing and discrimination.

Any case of potential employee misconduct has to be reported to the responsible Line Manager (up to CEO), the responsible HR Business Partner, the Employee Sanctioning Competence Center and / or the Safety and Security Unit. Guidance can be found in Vontobel's Employee Handbook (Switzerland) and the Group Sanctions Policy on Employee Misconduct. Co-workers and supervisors are explicitly required to support individuals who are being harassed and discriminated against. As mentioned on page 111, Vontobel has a whistleblowing platform in place via which employees and third parties can report any misconduct—transparently or anonymously.

In addition, all Vontobel employees have access to neutral and external Employee Assistance Programs to obtain personal and confidential advice around the clock regarding—among other matters—any violations of personal integrity or workplace conflicts.

Over the last reporting period, there were no confirmed misconduct cases within our employee sanction management tool referring to discrimination.

Great workplace in figures

Overall, in the reporting period 2023, we count a total of 2'355 permanent employees. Our employees represent over 60 nationalities. In addition to our regular employees, we had 592 contingent staff at the end of 2023. These individuals are not employed by Vontobel and are available on an on-call basis to assist the company when needed.

Information on employees by gender[1,2,3]

	31.12.2023 WOMEN	MEN	TOTAL	31.12.2022 WOMEN	MEN	TOTAL
Permanent employees	**770**	**1,585**	**2,355**	**726**	**1,569**	**2,295**
Full-time employees	526	1,446	1,972	491	1,426	1,917
Part-time employees	244	139	383	235	143	378
Temporary employees	**61**	**98**	**159**	**77**	**112**	**189**
Fixed-term contract	18	34	52	32	45	77
Hourly paid[4]	18	23	41	16	22	38
Graduate Trainee	8	9	17	17	19	36
Trainee	8	9	17	3	6	9
Apprentice	9	23	32	9	20	29
Total	**831**	**1,683**	**2,514**	**803**	**1,681**	**2,484**

Information on employees by region[1,2,3]

	31.12.2023 SWITZERLAND	ABROAD	TOTAL	31.12.2022 SWITZERLAND	ABROAD	TOTAL
Permanent employees	**1,947**	**408**	**2,355**	**1,880**	**415**	**2,295**
Full-time employees	1,599	373	1,972	1,532	385	1,917
Part-time employees	348	35	383	348	30	378
Temporary employees	**128**	**31**	**159**	**157**	**32**	**189**
Fixed-term contract	41	11	52	63	14	77
Hourly paid[4]	40	1	41	37	1	38
Graduate Trainee	13	4	17	27	9	36
Trainee	2	15	17	1	8	9
Apprentice	32	0	32	29	0	29
Total	**2,075**	**439**	**2,514**	**2,037**	**447**	**2,484**

Number of permanent employees by work location[5]

	NUMBER OF WOMEN	NUMBER OF MEN	31.12.2023 TOTAL	NUMBER OF WOMEN	NUMBER OF MEN	31.12.2022 TOTAL
Switzerland	624	1,323	1,947	581	1,299	1,880
Germany	34	75	109	36	76	112
USA	35	55	90	33	57	90
United Kingdom	27	51	78	27	54	81
Italy	17	30	47	17	25	42
Hong Kong	11	14	25	13	20	33
Luxembourg	9	14	23	8	13	21
Singapore	6	11	17	4	13	17
United Arab Emirates	2	5	7	2	5	7
Spain	2	3	5	2	3	5
France	2	1	3	2	1	3
Japan	1	2	3	1	2	3
Australia	0	1	1	0	1	1
Total	**770**	**1,585**	**2,355**	**726**	**1,569**	**2,295**

Number of permanent employees by nationality[6,7]

	☑ 31.12.2023		31.12.2022	
	NUMBER	IN %	NUMBER	IN %
Switzerland	1,456	62	1,450	63
Germany	255	11	250	11
Italy	130	6	111	5
United Kingdom	96	4	95	4
USA	81	3	83	4
France	60	3	62	3
Poland	26	1	21	1
Spain	23	1	17	1
Austria	19	1	16	1
Hungary	18	1	10	0
Other	191	8	180	8
Total	**2,355**	**100**	**2,295**	**100**

☑ Breakdown of rank structure by gender[7,8] as of 31.12.2023

	NUMBER OF WOMEN	PROPORTION OF WOMEN	NUMBER OF MEN	PROPORTION OF MEN
Employee	81	42%	113	58%
Middle management	396	47%	451	53%
Senior management	291	22%	1,017	78%
Executive Committee	2	40%	3	60%
Total	**770**	**33%**	**1,584**	**67%**
Board of Directors	3	33%	6	67%

Age structure permanent employees[7]

	☑ 31.12.2023		31.12.2022	
	NUMBER	IN %	NUMBER	IN %
Up to 20 years old	5	0	1	0
21 to 30 years old	273	12	279	12
31 to 40 years old	663	28	659	29
41 to 50 years old	750	32	740	32
51 to 60 years old	569	24	529	23
More than 60 years old	95	4	87	4
Total	**2,355**	**100**	**2,295**	**100**
Average age (in years)	*43*		*43*	

Age structure of the Board of Directors[7]

	☑ 31.12.2023		31.12.2022	
	NUMBER	IN %	NUMBER	IN %
41 to 50 years old	3	33	3	33
51 to 60 years old	5	56	5	56
More than 60 years old	1	11	1	11
Total	**9**	**100**	**9**	**100**

Years of service permanent employees

	31.12.2023 NUMBER	31.12.2023 IN %	31.12.2022 NUMBER	31.12.2022 IN %
< 1 year	258	11	210	9
1 up to < 5 years	788	33	821	36
5 up to < 10 years	607	26	584	25
10 up to < 20 years	522	22	498	22
20 up to < 30 years	136	6	139	6
from 30 years	44	2	43	2
Total	**2,355**	**100**	**2,295**	**100**

Breakdown of full-time and part-time positions by gender as of 31.12.2023

	NUMBER OF WOMEN	PROPORTION OF WOMEN	NUMBER OF MEN	PROPORTION OF MEN	TOTAL NUMBER	TOTAL PROPORTION
20–49%	8	1%	1	0%	9	0%
50–79%	90	12%	22	1%	112	5%
80–99%	146	19%	115	7%	261	11%
100%	526	68%	1,446	91%	1,972	84%
Total	**770**	**100%**	**1,585**	**100%**	**2,355**	**100%**

New employee hires[9,10]

	☑ 2023 NUMBER	☑ 2023 IN %	2022 NUMBER	2022 IN %	2021 NUMBER	2021 IN %
by gender						
Women	113	42	84	39	107	39
Men	156	58	133	61	170	61
by age group[11]						
Up to 20 years old	0	0	0	0	2	1
21 to 30 years old	65	24	46	21	79	29
31 to 40 years old	86	32	96	44	106	38
41 to 50 years old	80	30	58	27	69	25
51 to 60 years old	37	14	17	8	19	7
More than 60 years old	1	0	0	0	2	1
by region						
Switzerland	217	81	177	82	-	-
Abroad	52	19	40	18	-	-
Total	**269**	**100**	**217**	**100**	**277**	**100**

Employee turnover[10,12]

	2023 LEAVERS	2023 TURNOVER IN %	2022 LEAVERS	2022 TURNOVER IN %	2021 TURNOVER IN %
by gender					
Women	100	13.4	74	10.5	-
Men	169	10.7	146	9.5	-
by age group[11]					
Up to 20 years old	0	0.0	1	50.0	-
21 to 30 years old	50	18.2	33	11.7	-
31 to 40 years old	77	11.7	73	11.3	-
41 to 50 years old	76	10.2	56	7.9	-
51 to 60 years old	38	6.9	42	8.1	-
More than 60 years old	28	30.8	15	18.6	-
by region					
Switzerland	201	10.5	179	9.9	-
Abroad	68	16.5	41	9.8	-
Total	**269**	**11.6**	**220**	**9.8**	**10.7**

Great workplace in figures – footnotes:

1 Reported as headcount at the end of the reporting period
2 GRI disclsoure 2-7
3 Restated numbers for 2022 to include trainees. 2022 numbers without trainees: 180 temporary employees, 2475 total
4 Referring to GRI disclosure 2-7 term of “non-guaranteed hours employees”
5 Changed title from “domicile” to the more accurate term “work location”
6 Primary citizenship by choice of the employee
7 GRI disclsoure 405-1
8 The Chairman of the Board of Directors is included under “Board of Directors” here. Since he has a regular employment relationship in Switzerland, he is included as an employee in the other tables
9 Permanent employees
10 GRI disclsoure 401-1
11 More granular age groups than in the previous report, making it easier to identify trends
12 Employee turnover: permanent employees who leave the organization voluntarily or due to dismissal, retirement, or death in service. Turnover rate: number of leavers / average headcount (permanent employees)

Community engagement

"Vontobel operates with the spirit of citizenship to foster quality of life in the places we live and work. We do this by providing jobs and enabling and encouraging our employees to play an active role in their local communities. Vontobel and the charitable Vontobel-Foundation have sponsored projects in the areas of social welfare, medical research, nature and culture since 1993."

The social sustainability of companies is an essential prerequisite for the quality of life of the societies in which they operate. At Vontobel, social sustainability not only encompasses our responsibility as an employer but also our comprehensive Commitment to serving communities.

Vontobel made donations totaling almost CHF 201,000 in the year under review. Of this sum, a significant amount was donated to the International Committee of the Red Cross (ICRC) and to the Swiss Climate Foundation.

Vontobel Fundraising Initiative

Vontobel has been a member of the International Committee of the Red Cross' (ICRC) Corporate Support Group since 2005. In the context of this partnership, we have carried out the Vontobel Fundraising Initiative since 2015. The money raised through this internal campaign is used to support the work of the ICRC. Vontobel always doubles the amount donated by employees. In 2023, Vontobel supported three projects with a different focus so that employees could provide financial support for the project that met their individual motivation. We supported ICRC's food security programs in Africa, the provision of ambulances for Yemen and rehabilitation programs in South Sudan.

Swiss Climate Foundation

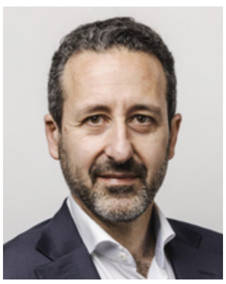
As a founding member of the Swiss Climate Foundation, we donate a significant proportion of our refunded CO_2 levy to the foundation. The foundation supports small and medium-sized companies that develop climate-innovative projects that have a significant impact on climate protection. We contribute to the activities carried out by the foundation, such as the selection of funded projects through our representation in both the foundation's board and its advisory board.

Vontobel-Foundation

The Vontobel Foundation was established in 1993 as a charitable foundation by Dr. Hans Vontobel through the dedication of a package of Vontobel Holding shares. Together with other donations, this package forms the core of the foundation's assets. Today the Vontobel-Foundation holds 14.9 percent of the overall Vontobel shares. The foundation invests the dividends that Vontobel pays for its shares for charitable purposes. As an example, in 2023 the Vontobel-Foundation supported the project "The Loop Zurich" medical research center. The Vontobel-Foundation is convinced that translational interdisciplinary research is crucial for the development of new treatment methods in precision medicine for the future.

Spendenstiftung Bank Vontobel

The Spendenstiftung Bank Vontobel (Charitable Foundation) makes it possible for donors who do not want to set up a foundation of their own to nevertheless donate to the charitable causes of their choice. The foundation supports institutions in Switzerland and abroad that are engaged in the areas of social welfare, ecology, education, medical science and culture.



"As one of the founding members of the ICRC's Corporate Support Group in 2005, Vontobel has been a valued partner ever since. The generosity of Vontobel's employees during their annual fundraising initiative has gone a long way to support our life-saving activities around the world. This year, their donations will help us to ensure that people affected by conflict in Somalia, South Sudan and Yemen are not forgotten."

–

Robert Mardini
Director-General, ICRC

In 2023, the Bank Vontobel Charitable Foundation contributed a total of around CHF 350,800 of donations and grants (2022: CHF 446,200). Among the causes that the foundation supported in the reporting year was the Wildnispark Zürich Foundation, which it supported in setting up an emergency care station for injured bats. Structural measures, further training for animal care staff and an aviary are needed so that the animals can be examined and cared for. Further information can be found at:
www.wildnispark.ch.

Americas community engagement

As part of the Americas Community Engagement commitment, a new volunteering initiative was launched in 2023 by Vontobel New York. This initiative was launched together with "New York Cares," which is the largest volunteer network in New York City. The organization pairs volunteers with non-profit organizations and schools across all five Boroughs of New York City. Vontobel joined hands with them to kick off the Americas Community Engagement commitment with a volunteer project to help those in need within the local New York City area. The team was paired with non-profit organization "Project Hospitality", whose mission is to serve low-income and homeless residents of Staten Island who are experiencing loneliness and isolation.

The team packed 200 care packages—each of them filled with puzzles, art supplies, and comfort and pamper items for the holiday season—and produced more than 230 handmade cards. The team aspires to expand these efforts in the future—the next volunteer event is in the spring of 2024, with plans to volunteer off-site in one of the many public parks or schools, as they would like to contribute as a team to the cleanliness and beautification of the local environment.

Art Vontobel

Art Vontobel focuses on new perspectives, while building an important bridge to the past: With a passion for art, Dr. Hans Vontobel (1916–2016) founded the Arts Commission in the 1970s. While our collecting strategy refocused in 2015, this enthusiasm and philanthropic approach have shaped our approach ever since, with the collection's purpose—then and now—being the promotion of a young generation of artists.

Our Collection explores how artists today seek new ways of capturing and conveying the human experience in a rapidly changing world though photographic and image-based art. Conceived as a mirror of our time, the photographic medium allows us to directly reflect upon currently relevant topics: Centered around the presentation of humanity and our actions in the present, the works that Art Vontobel collects revolve around key questions, such as: what do our societies look like today, how have they evolved, and what topics concern us at present? Moreover: What actions do people take and how do these shape our future or affect our planet? By building a young and internationally focused collection, Art Vontobel represents our corporate culture and endeavors: foresighted, reflecting diversity and human centric. This intention is further emphasized by our biannual sponsorship award for emerging talent, A New Gaze, founded in 2017. Furthermore, our key incentive is to create an inspiring environment and encourage dialogue—internally and beyond.

Our commitment to art is an expression of our social responsibility overall. We firmly believe that art and culture are important, even indispensable, agents of a functioning society, which allow the development of experimentation with many practical and theoretical approaches to producing art. We want to support these creative methods of thinking and producing. It is art that affords us a new perspective as observers, that challenges us, or simply delights us. Works of art enrich daily life, enable dialogue decoupled from the day-to-day working routine: a change of perspective. By exhibiting and collecting works of art, we wish to create an inspiring environment with long-lasting value for our employees, our clients and the public.
www.vontobel.com/art

GRI content index

CONTENT INDEX ESSENTIALS SERVICE 2024

Statement of use	Vontobel has reported in accordance with the GRI Standards for the period from January 1, 2023 to December 31, 2023.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard	Not yet available for financial service providers. Therefore, the GRI industry supplement for financial service providers 2013 was used (disclosures FS6, FS10, FS11).

GRI STANDARD	DISCLOSURE	REFERENCE (AR: ANNUAL REPORT, SR: SUSTAINABILITY REPORT) / OMISSION
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	– AR / SR: 1st and 2nd cover page – AR p. 31: Major shareholders and groups of shareholders with pooled voting rights – www.vontobel.com/locations
	2-2 Entities included in the organization's sustainability reporting	– Unless stated otherwise, the scope of the Sustainability Report includes Vontobel Holding AG with the subsidiaries listed in the consolidated annual financial statements, and the corresponding locations. – AR p. 244: Subsidiaries and associated companies – AR p. 245: Changes in the scope of consolidation
	2-3 Reporting period, frequency and contact point	– SR p. 135 Statement of use – SR p. 94: More information on this report
	2-4 Restatements of information	We have not made any restatements or corrections to the previous year's disclosures.
	2-5 External assurance	– SR p. 149 – 151: Independent assurance report on selected sustainability metrics
	2-6 Activities, value chain and other business relationships	– AR p. 12 – 17: Vontobel – AR p. 10 – 11: Key Figures – SR p. 108: Risk management in our supply chain – SR p. 120: Materials and gastronomy – AR p. 19 – 27: Business review – AR p. 245: Changes in the scope of consolidation
	2-7 Employees	– SR p. 128 – 132: Great workplace in figures
	2-8 Workers who are not employees	– SR p. 128 – 132: Great workplace in figures
	2-9 Governance structure and composition	– AR p. 30: Corporate Governance – SR p. 103 – 105: Sustainability governance and oversight – SR p. 128 – 132: Great workplace in figures
	2-10 Nomination and selection of the highest governance body	– AR p. 33: Board of Directors – AR p. 39: Election and term of office
	2-11 Chair of the highest governance body	– AR p. 33: Board of Directors
	2-12 Role of the highest governance body in overseeing the management of impacts	– AR p. 33: Board of Directors – SR p. 103 – 105: Sustainability governance and oversight – SR p. 105 – 108: Risk management
	2-13 Delegation of responsibility for managing impacts	– SR p. 103 – 105: Sustainability governance and oversight
	2-14 Role of the highest governance body in sustainability reporting	– SR p. 147: Approval process Sustainability Report 2023
	2-15 Conflicts of interest	– SR p. 109: Conflicts of interest
	2-16 Communication of critical concerns	– SR p. 109: Anti-bribery, corruption and money laundering – SR p. 111: Our whistleblowing system – AR p. 45: Information and control instruments relating to the Executive Committee

For the Content Index – Essentials Service, GRI Services reviewed that the GRI content index is clearly presented, in a manner consistent with the Standards, and that the references for all disclosures are included correctly and aligned with the appropriate sections in the body of the report. The service was performed on the English version of the report.

GRI STANDARD	DISCLOSURE	REFERENCE (AR: ANNUAL REPORT, SR: SUSTAINABILITY REPORT)/OMISSION
General Disclosures		
GRI 2: General Disclosures 2021	2-17 Collective knowledge of the highest governance body	– SR p. 103 – 105: Sustainability governance and oversight
	2-18 Evaluation of the performance of the highest governance body	The Board of Directors performs an annual evaluation of the achievement of its objectives and of its working practices.
	2-19 Remuneration policies	– AR p. 69 – 71: Compensation of the Board of Directors – AR p. 72 – 79: Compensation of the Executive Committee
	2-20 Process to determine remuneration	– AR p. 69 – 71: Compensation of the Board of Directors – AR p. 72 – 79: Compensation of the Executive Committee
	2-21 Annual total compensation ratio	– Vontobel cannot comply with GRI disclosure 2-21 for confidentiality constraints. Vontobel considers this information confidential and cannot report it publicly – Information on compensation of the members of the Board of Directors and the Executive Committee, and on our compensation system: AR p. 55 – 83: Compensation Report.
	2-22 Statement on sustainable development strategy	– SR p. 91: Foreword
	2-23 Policy commitments	– SR p. 95 – 96: Sustainability Positioning and long-term vision – SR p. 96 – 98: Vontobel's six Sustainability Commitments and progress – SR p. 124 – 125: Employment – Code of Conduct: www.vontobel.com/code-of-conduct
	2-24 Embedding policy commitments	– Code of Conduct: www.vontobel.com/code-of-conduct – SR p. 96 – 98: Vontobel's six Sustainability Commitments and progress – SR p. 100 – 101: Vontobel's contribution to the UN SDGs
	2-25 Processes to remediate negative impacts	– SR p. 96 – 98: Vontobel's six Sustainability Commitments and progress – SR p. 111: Our whistleblowing system – SR p. 127 – 128: Diversity, equality and inclusion
	2-26 Mechanisms for seeking advice and raising concerns	– SR p. 111: Our whistleblowing system – SR p. 127 – 128: Diversity, equality and inclusion
	2-27 Compliance with laws and regulations	– SR p. 109: Anti-bribery, corruption and money laundering – SR p. 110: Data privacy and information security – SR p. 110: Product compliance – AR p 227: Off-balance sheet business and other information
	2-28 Membership associations	– SR p. 101: Our memberships and initiatives
	2-29 Approach to stakeholder engagement	– SR p. 102 – 103: Stakeholder engagement and materiality assessment
	2-30 Collective bargaining agreements	In Switzerland, which is home to more than 80 percent of our workforce, all employees up to and including middle management are covered by the Agreement on Conditions of Employment for Bank Employees (VAB) issued by the Employers Association of Banks in Switzerland (AVG). Information about participation in collective bargaining agreements in other countries is not available at present.

GRI STANDARD	DISCLOSURE	REFERENCE (AR: ANNUAL REPORT, SR: SUSTAINABILITY REPORT) / OMISSION
Material topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	– SR p. 102 – 103: Stakeholder engagement and materiality assessment
	3-2 List of material topics	Material topics for our reporting: – Economic performance – ESG investing and advice – Energy – Emissions – Materials – Diversity and equal opportunity – Non-discrimination – Employment – Training and education – Anti-corruption – Product compliance – Customer privacy – Indirect economic impacts
ESG investing and advice		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 112 – 118: ESG investing and advice
GRI G4 Financial Services Sector Disclosures	FS6 Percentage of the portfolio for business lines by specific region, size and by sector	– AR p. 21: Client assets by client domicile – AR p. 241 – 243: Segment reporting
	FS10 Portfolio-based engagement on social or environmental issues	– SR p. 112 – 115: Our four ESG Investment Principles
	FS11 Percentage of assets subject to positive and negative environmental or social screening	– SR p. 112 – 115: Our four ESG Investment Principles – SR p. 114: Investment solutions that incorporate ESG criteria
Economic performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 94: Active participant in economic life
GRI 201: Economic Performance 2021	201-1 Direct economic value generated and distributed	– SR p. 94: Economic value distributed
	201-3 Defined benefit plan obligations and other retirement plans	– AR p. 187: Personnel expense – AR p. 206: Other liabilities / Defined benefit pension liabilities
Indirect economic impacts		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 94: Active participant in economic life – SR p. 133 – 134: Community engagement
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	– SR p. 133 – 134: Community engagement
Anti-corruption		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 109: Anti-bribery, corruption and money laundering
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	– SR p. 105 – 108: Risk management – SR p. 109: Anti-bribery, corruption and money laundering
	205-2 Communication and training about anti-corruption policies and procedures	– SR p. 109: Anti-bribery, corruption and money laundering
	205-3 Confirmed incidents of corruption and actions taken	– SR p. 109: Conflicts of interest
Materials		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 120: Materials and gastronomy
GRI 301: Materials 2016	301-1 Materials used by weight or volume	– SR p. 122 – 123: Environment and climate in figures
	301-2 Recycled input materials used	– SR p. 122 – 123: Environment and climate in figures

GRI STANDARD	DISCLOSURE	REFERENCE (AR: ANNUAL REPORT, SR: SUSTAINABILITY REPORT)/OMISSION
Energy		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 119 – 120: Our own operations
GRI 302: Energy 2016	302-1 Energy consumption within the organization	– SR p. 122 – 123: Environment and climate in figures
	302-3 Energy intensity	– SR p. 122 – 123: Environment and climate in figures
	302-4 Reduction of energy consumption	– SR p. 120: Achievements in reducing our energy consumption
Emissions		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 119 – 120: Our own operations
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	– SR p. 122 – 123: Environment and climate in figures
	305-2 Energy indirect (Scope 2) GHG emissions	– SR p. 122 – 123: Environment and climate in figures
	305-3 Other indirect (Scope 3) GHG emissions	– SR p. 122 – 123: Environment and climate in figures
	305-4 GHG emissions intensity	– SR p. 122 – 123: Environment and climate in figures
	305-5 Reduction of GHG emissions	– SR p. 119 – 120: Our own operations
Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 124: Great workplace – SR p. 124 – 125: Employment
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	– SR p. 128 – 132: Great workplace in figures
Training and education		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 125 – 127: Training and education
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	– SR p. 127: Training
	404-2 Programs for upgrading employee skills and transition assistance programs	– SR p. 125 – 127: Training and education
	404-3 Percentage of employees receiving regular performance and career development reviews	– SR p. 126: Our goal-setting and development process
Diversity and equal opportunity		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 127 – 128: Diversity, equality and inclusion
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	– SR p. 128 – 132: Great workplace in figures
Non-discrimination		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 127 – 128: Diversity, equality and inclusion
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	– SR p. 127 – 128: Diversity, equality and inclusion
Product compliance		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 110: Product compliance
GRI 417: Marketing and Labeling 2016	417-1 Requirements for product and service information and labeling	– SR p. 110: Product compliance
Customer privacy		
GRI 3: Material Topics 2021	3-3 Management of material topics	– SR p. 110: Data privacy and information security
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	– SR p. 110: Data privacy and information security

UN Global Compact index

Implementing and supporting the ten principles of the UN Global Compact
"Vontobel has been a member of the UN Global Compact and of the Global Compact Network Switzerland since 2017. We have thus committed to support its 10 principles in the areas of human rights, labor, environment, and anti-corruption."
Dr. Zeno Staub, CEO of Vontobel

The Ten Principles of the UN Global Compact

PRINCIPLES	IMPLEMENTATION AT VONTOBEL: CONTENT-RELATED TOPICS AND COVERAGE ACCORDING TO GRI REPORTING	PAGE IN ANNUAL REPORT
Human Rights		
Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights	Topic **Non-discrimination**	
	GRI 406-1 Incidents of discrimination and corrective actions taken	128
	Topic **ESG investing and advice**	
	FS10: Portfolio-based engagement on social or environmental issues	112
	FS11: Percentage of assets subject to positive and negative environmental or social screening	114
Principle 2: Make sure that they are not complicit in human rights abuses	**Risk management**	
	GRI 2-6 Activities, value chain and other business relationships	108
	Topic **ESG investing and advice**	
	FS10: Portfolio-based engagement on social or environmental issues	112
	FS11: Percentage of assets subject to positive and negative environmental or social screening	114
Labor		
Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	Topic **Employment**	
	GRI 2-30 Collective bargaining agreements	136
Principle 4: Elimination of all forms of forced and compulsory labor	**Risk management**	
	GRI 2-6 Activities, value chain and other business relationships	108
Principle 5: Effective abolition of child labor	**Risk management**	
	GRI 2-6 Activities, value chain and other business relationships	108
Principle 6: Elimination of discrimination in respect of employment and occupation	Topic **Employment**	
	2-7 Employees	129
	2-8 Workers who are not employees	128
	GRI 401-1 New employees hires and employee turnover	131
	Topic **Training and education**	
	GRI 404-2 Programs for upgrading employee skills and transition assistance programs	125
	GRI 404-3 Percentage of employees receiving regular performance and career development reviews	126
	Topic **Diversity and equal opportunity**	
	GRI 405-1 Diversity of governance bodies and employees	130
	Topic **Non-discrimination**	
	GRI 406-1 Incidents of discrimination and corrective actions taken	128

PRINCIPLES	IMPLEMENTATION AT VONTOBEL: CONTENT-RELATED TOPICS AND COVERAGE ACCORDING TO GRI REPORTING	PAGE IN ANNUAL REPORT
Environment		
Principle 7: Businesses should support a precautionary approach to environmental challenges	Topic **Materials**	
	GRI 301-1 Materials used by weight or volume	123
	GRI 301-2 Recycled input materials used	123
	Topic **Energy**	
	GRI 302-1 Energy consumption within the organization	123
	GRI 302-3 Energy intensity	123
	GRI 302-4 Reduction of energy consumption	120
	Topic **Emissions**	
	GRI 305-1 Direct (Scope 1) GHG emissions	122
	GRI 305-2 Energy indirect (Scope 2) GHG emission	122
	GRI 305-3 Other indirect (Scope 3) GHG emission	122
	GRI 305-4 GHG emissions intensity	122
	GRI 305-5 Reduction of GHG emissions	119
	Topic **ESG investing and advice**	
	FS10: Portfolio-based engagement on social or environmental issues	112
	FS11: Percentage of assets subject to positive and negative environmental or social screening	114
Principle 8: Undertake initiatives to promote greater environmental responsibility	Topic **Materials**	
	GRI 301-1 Materials used by weight or volume	123
	GRI 301-2 Recycled input materials used	123
	Topic **Energy**	
	GRI 302-1 Energy consumption within the organization	123
	GRI 302-3 Energy intensity	123
	GRI 302-4 Reduction of energy consumption	120
	Topic **Emissions**	
	GRI 305-1 Direct (Scope 1) GHG emissions	122
	GRI 305-2 Energy indirect (Scope 2) GHG emission	122
	GRI 305-3 Other indirect (Scope 3) GHG emission	122
	GRI 305-4 GHG emissions intensity	122
	GRI 305-5 Reduction of GHG emissions	119
Principle 9: Encourage the development and diffusion of environmentally friendly technologies	Topic **Energy**	
	GRI 302-4 Reduction of energy consumption	120
	Topic **Emissions**	
	GRI 305-5 Reduction of GHG emissions	119
Anti-corruption		
Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery	Topic **Anti-corruption**	
	GRI 205-1 Operations assessed for risks related to corruption	108
	GRI 205-2 Communication and training about anti-corruption policies and procedures	108
	GRI 205-3 Confirmed incidents of corruption and actions taken	109

TCFD index

RECOMMENDED DISCLOSURE	COMMENT VONTOBEL	REFERENCE
Governance		
a) Describe the board's oversight of climate-related risks and opportunities	In 2022 the Board of Directors, together with the senior management, was responsible for defining the company's overall Sustainability Positioning and six Sustainability Commitments. The Commitments lay out the foundation for Vontobel's sustainability strategy. The Board of Directors is informed around sustainability matters, including climate, through the group-level sustainability governance. In this context, the Board of Directors is able to monitor progress on the six Sustainability Commitments. Over the past reporting year, sustainability was an important topic for the Board of Directors and was discussed in five meetings, including one dedicated ESG Board training session provided by an external consultant. Vontobel has defined Key Risk Indicators (KRIs) on sustainability and climate topics. KRIs are integrated to the Risk Appetite Framework. The KRIs are reported periodically to the Risk and Audit Committee (RAC).	– Sustainability governance and oversight p. 104 – 105 – Risk governance p. 106
b) Describe management's role in assessing and managing risks and opportunities	The Corporate Sustainability Committee has delegated authority from the Executive Committee and is chaired by the CFO / CRO of the Vontobel Holding AG. The Corporate Sustainability Committee includes members from the senior management team (Executive Committee and Executive Board). Each of the six Sustainability Commitments, including the Net-Zero Commitment, is allocated to a dedicated Commitment Owner within the senior management team to ensure their implementation and to create accountability. The Commitment Owners report progress on their respective commitments on a quarterly basis to the Corporate Sustainability Committee. Sustainability within products and the integration of ESG-factors in our investment solutions is managed directly within the respective boutiques under the oversight of the Investment Management Committee (IMC). The Head Investments is a member of both the IMC and the CSC and provides regular updates to the CSC regarding these topics. In line with our Group-wide risk management framework, the Executive Committee is responsible for the operational management of the Group and for maintaining suitable processes in general, thus also for controlling the risks.	– Sustainability governance and oversight p. 104 – 105 – Risk governance p. 106
Strategy		
a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Time horizons considered in the identification of climate-related risks and subsequent assessment have been tailored to the business model and risk profile; they are as follows: – short term: 0 – 3 years – medium term: 3 – 10 years – long term: +10 years We expect that transition risks usually impact short and medium-term while physical risks are more relevant in the long term.	

b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Our six Sustainability Commitments provide the guiding structure for our sustainability strategy with an emphasis on climate change considerations. The six Sustainability Commitments represent the main levers that we as an investment firm and a corporate citizen have, when supporting the transition to a low-carbon future. Within our own operations we aim to reach net-zero by 2030. To this end, we aim to reduce our Scope 1-3 emissions as much as possible, and to compensate the remaining emissions by purchasing high quality emission offset and removal certificates. Within our banking book we are committed to reach net-zero by 2030 in our bond investments. In scope of our commitment and strategy are Scope 1 and Scope 2 emissions by non-sovereign issuers. If the financed GHG emissions of corporate and corporate-like bonds in the banking book can not be reduced fully by 2030, we aim to select offsetting projects to compensate remaining GHG emissions. Regarding our investment strategies and product offering, we provide factsheets that incorporate CO_2 metrics for our EU SFDR Article 8 and 9 strategies and products (subject to sufficient data coverage). In addition, for these SFDR Article 8 and 9 type of products, the pre-contractual disclosures describe (if applicable and relevant) more details specifically to climate risk considerations. In general, 50% of our total AuMs consider "Sustainability Risks", which include climate-related risks. We plan to further develop our climate strategy in the coming years.	– Our approach to climate change p. 98 – 100 – Risk management for our investment products p. 107 – 108 – Incorporate ESG consideration into active investment decisions p. 112 – 115 – Environment and climate p. 119 – 123
c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Vontobel conducted extensive climate scenario analysis for its main books, using a set of short- and medium-term scenarios. The analysis included both physical and transition risk impact assessments. The focus was on a set of scenarios that is consistent with the Network for Greening the Financial System (NGFS) Scenarios, including also a scenario in line with a 2 degree pathway. The analysis showed that the impact on the short-term is material only to a limited extent. Vontobel will be including such forward-looking analysis in its risk management processes, which are key input for assessing its resilience.	

Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks	Vontobel identifies Sustainability / ESG risks as a driver of the existing risk categories rather than a fundamentally distinct risk category. Sustainability / ESG factors are relevant for all business and risk processes, and as such, the identification of possible impacts is done across all existing risk categories of the taxonomy such as, among others, credit risk, operational risk, market risk, liquidity risk and investment risk. Vontobel conducts an annual exercise to identify and update the list of key Sustainability / ESG risks which could if they were to occur, cause an actual or a potential negative material impact for Vontobel. Negative impact could be financial or non-financial. We have developed an ESG Risk Assessment Matrix (RAM) that contains specific climate-related topics that could have a material financial impact. It also forms the basis for defining and updating the most important ESG risks in the Vontobel Risk Taxonomy. The results of the assessment are reviewed and validated by relevant stakeholders via workshops and finally signed off by the Corporate Sustainability Committee. We believe active ownership adds value between long-term partners. At the same time, we are convinced that voting and engagement can have a positive influence on companies, economies, societies, and the environment. We engage with companies and sovereign issuers for updates and issues of concern. As an active investment manager, we prefer to engage with the management of investee companies directly. We also use collaborative engagements, performed by third parties. Reasons to engage can include identified environmental and social risks. More information can be found in our ESG integration and stewardship report.	– Sustainability and ESG risk p. 106 – 107 – Key risk management processes p. 107 – ESG Integration and stewardship report: www.vontobel.com/esg-library
b) Describe the organisation's processes for managing climate-related risks	The way Vontobel integrates sustainability risks in its investment decision, and advisory services, is detailed out in our Group policy "Sustainable Investing and Advisory". Sustainability risks are defined as an environmental, social or governance event or condition that if it occurs could cause an actual or a potential material negative impact on the value of the investment. ESG risk is understood as the negative materialization of ESG factors. The risk management for our products is based on the principles of clear delineation of roles and responsibilities and accordingly the three lines of defense model is also applied within our investment solutions. More information can be found under the respective paragraphs for the 1st LoD: Investment Teams and Investment Risk & 2nd LoD: Group investment control.	– Key risk management processes p. 107 – Risk management for our investment products p. 107 – 108
c) Describe how processes for identifying, assessing, and managing climate- related risks are integrated into the organisation's overall risk	Our approach to risk management also extends to Sustainability / ESG risk including climate-related risks and we are committed to continue to fully integrate them into our risk management framework with corresponding procedures, practices and tools. As such, these risks are managed in accordance with our 3 Lines of Defense Model and relying on the existing Internal Control System.	– Sustainability and ESG risk p. 106 – 107
Metrics & Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	**Operations** The method used to prepare our greenhouse gas balance sheet is aligned with the requirements set out in the International Organization for standardization (ISO) standard 14064-1, as well as the accounting standards defined in the Greenhouse Gas Protocol. In addition to ISO 14064-1, the recommendations set out in the GHG Protocol Corporate Standard issued by the WRI and WBCSD were taken into account. – Scope 1 comprises emissions from heating (natural gas, biogas and heating oil), refrigerant leakage as well as business travel (vehicles owned by the company) – We prefer the more accurate market-based approach to calculating our Scope 2 emissions. It takes account of electricity purchased individually by Vontobel (e.g. electricity from renewables) in locations where information is available on the energy mix purchased (for location based, see below) – In our Scope 3 operations emissions we include energy-related emissions not included in Scope 1 or 2, business travel with external vehicles, commuting, food, paper, printing, mailings, waste, and water. In this reporting period (2022 / 2023) we have also included IT devices. Other Scope 3 emissions are not included.	– Environment and climate p. 119 – 123 – Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors: www.vontobel.com/sfdr

	In 2023, we have elaborated a concept for an internal carbon price that applies to air travel. Air travel is the largest source of emissions within our own operation and through this we aim to steer behavior through pricing the ton of CO_2 and to allocating the cost according to the polluter pays principle. **Banking book bond investments** Our net-zero strategy by 2030 for the banking book bond investments is based on the guidance provided from Partnership for Carbon Accounting Financials (PCAF) and the Greenhouse Gas Protocol Category 15: Investments (Technical Guidance for Calculating Scope 3). We track Scope 1 and Scope 2 GHG emissions for corporates and corporate-like issuers (e.g. supranational organization and government-related entities). **Impact of our investments in investee companies** In 2023, we published our first Statement on principal adverse impacts (PAI) of investment decisions on sustainability factors as required by Regulation (EU) 2019/2088 (“SFDR”) and specified by Commission Delegated Regulation (EU) 2022/1288 (“SFDR Regulatory Technical Standards” or “SFDR RTS”) Article 4. The PAI indicators listed relate to all investments made by Vontobel, regardless of whether they consider PAI in investment decisions or not. The PAI indicator “Greenhouse gas emissions” encompasses a series of metrics applicable to investments in investee companies, including Scope 1-3 GHG emissions. More information as well as a list of all Vontobel legal entities in scope of the statement can be found at: www.vontobel.com/sfdr To embed ESG principles in Vontobel’s corporate values, we consider ESG risks and goals in our Compensation Policy.	
b) Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks	**Operational emissions for 2023** Scope 1: 213 t CO_2e Scope 2: 234 t CO_2e (market-based) Scope 2: 879 t CO_2e (location-based) Scope 3: 5801 t CO_2e The market-based calculation method follows the logic of consumption and is therefore preferable for operational GHG management as it is more precise than the location-based method and allows measures to be derived. The market-based method is particularly preferable for calculating emissions from district heating and cooling consumption, as buildings do not receive a mix of different sources when purchasing district heating and cooling, but a specific product. **Banking book bond investments** In 2023, we decided to align the metrics and targets with the latest developments as guided by the Greenhouse Gas Protocol and PCAF. Therefore, we plan to report on quantitative targets and metrics in the Sustainability Report 2024.	– Environment and climate p. 119–123
c) Describe the targets used by the organization to manage climate related risks and opportunities and performance against targets	By 2030, we aim to be net-zero with our greenhouse gas emissions (GHG) in our operations and banking book investments. Additionally, we aim to be net-zero with our GHG emissions in our trading book bond investments by 2050. Net-zero means achieving a balance between emissions and removals of GHGs from the atmosphere (ISO IWA 42:2022), Scope 1-3 in our own operations and Scope 1-2 in our banking book bond investments in non-sovereign issuers. Our commitment is aligned with the 2015 Paris Agreement goal to limit global warming to well below 2, preferably to 1.5 degrees Celsius, compared to pre-industrial levels. We plan to reduce emissions as far as possible and we aim to offset residual emissions at the net-zero target year and any GHG emissions thereafter.	– Vontobel’s six Sustainability Commitments and progress p. 96–98

Swiss corporate reporting on non-financial matters index

BUSINESS MODEL	REFERENCE TO THE ANNUAL / SUSTAINABILITY REPORT	PAGE
Description of the business model	For more information regarding our business model, please refer to the chapter "Strategy" in the Annual Report, and to the section "Sustainability at Vontobel" in the chapter "Corporate Responsibility & Sustainability".	12–17 94
NON-FINANCIAL MATTER		
Environmental Matters	We recognize the need to take action and to contribute towards the goals of the Paris Agreement to limit global warming and tackle climate change. Against this backdrop, Vontobel has formulated its Net-Zero Commitment which forms the basis for our climate strategy. More information can be found in the sections "Our approach to climate change" and "Environment and climate". Furthermore, this report includes a "TCFD index" section where details on our approach to climate and climate-risk are provided. The section "Environment and climate" further addresses the topics of energy consumption and materials and provides details on measures taken and the respective KPIs. We acknowledge that at this point, there is a thematic focus on climate within environmental matters. This is due to the relative maturity of guidance from standard setters and regulators on this topic, notably the TCFD recommendations, compared to other topics. As part of our journey, we aim to cover further environmental topics in the future. Reference to GRI material topics: Energy, Emissions, Materials.	98–99 119–123 141–144
Social issues	We have identified the following main stakeholder groups: clients, shareholders, employees, regulators and the community. More information on why and how we engage with them can be found in the section "Stakeholder interaction and materiality assessment". With reference to Art 964 b, we understand social issues as topics within our value-chain and beyond our own workforce. As such, social issues include, but are not limited to, labor practices, diversity and inclusion, community engagement and customer privacy. Social aspects are incorporated into our tendering process since 2021 and serve as a guide when awarding new contracts. The relevant details are set out in Vontobel's Guidelines for sustainable procurement. Amongst other, they address matters such as employment conditions. More information can be found in the section "Risk management in our supply chain". Our whistleblowing system is open to both employees and third parties giving them the chance to raise issues, e.g. with regards to behavioural misconduct. More information can be found in the section "Our whistleblowing system". As a global investment firm, the integration of environmental, social and governance (ESG) factors into our product and service offering is a key part of our sustainability strategy. More details on our ESG approach can be found in the sections "ESG investing and advice" and "Risk management for our products". In line with our Group-wide Sustainability / ESG risk policy, Sustainability / ESG risk are seen as risk drivers of existing risk drivers. In the context of social issues, Vontobel considers social risk drivers, such as labor rights and standards, changes in social policies. More information can be found in the section "Sustainability and ESG risk". The trust that clients place in us forms the basis for our successful long-term collaboration. We therefore assign considerable importance to protecting client data and complying with all legal requirements in this context. More information can be found in the section "Data privacy and information security". Reference to GRI material topics: Diversity and equal opportunity, Non-discrimination, Customer privacy.	102–103 106–108 111 112–117 110

Employee-related issues	In line with our Great Workplace Commitment, we are determined to foster a workplace environment where everyone has the opportunity to develop and reach their full potential. Mutual respect, openness and freedom from discrimination are of key importance in this context. The principles that shape the way we work at Vontobel are detailed out in our Code of Conduct. We acknowledge that the skills and expertise of our employees are vital to our long-term success. As a globally active investment firm, Vontobel has to compete with major players and increasingly also with small new companies in our industry, both in our Swiss home market and internationally. We therefore want to offer our employees attractive employment conditions and have defined our DE&I strategy to mitigate the risks of unsuccessful human capital development. Furthermore, Vontobel has a whistleblowing platform in place via which employees can report any misconduct—transparently or anonymously. In addition, all Vontobel employees have access to Employee Assistance Programs to obtain personal and confidential advice around the clock regarding—among others—any violations of personal integrity or in the event of workplace conflicts. More information can be found under “Our whistleblowing system” and in the section “Great workplace”. In line with our Group-wide Sustainability / ESG risk policy, Sustainability / ESG risk are seen as risk drivers of existing risk drivers. Vontobel considers social risk drivers that include employee-related issues such as employee relationships. More information can be found in the section “Sustainability and ESG risk”. Reference to GRI material topics: Diversity and equal opportunity, Non-discrimination, Employment, Training and education.	111 124 – 132 106 – 107
Respect for human rights	As a member to the UN Global Compact, we are committed to implement its ten principles. Principle 1 and 2 relate to human rights. We address respect for human rights within our own workforce, where we encourage inclusiveness and sanction any form of discrimination in line with our Code of Conduct. More information can be found in the section “UN Global Compact index” and “Employment”. Further, respect for human rights is considered in our value chain and in our product portfolio . Cluster bombs and landmines are excluded on group level; companies that produce weapons classified as controversial will not be financed by Vontobel nor will it invest in manufacturers of such weapons within the framework of actively managed assets. Human rights topics are incorporated into our tendering process since 2021 and serve as a guide when awarding new contracts. The relevant details are set out in Vontobel’s Guidelines for sustainable procurement. Amongst others, they address topics related to human rights such as child labor, forced labor (modern slavery) and human trafficking. More information can be found in the section “Risk management in our supply chain”. Within our investments, we monitor critical ESG controversies / ESG events. Such critical ESG events can relate, amongst others, to modern slavery such as forced labor or child labor. More information can be found in the section “Critical ESG events”. Amongst the social risk drivers that Vontobel considers, human rights’ violations are included. More information can be found in the section “Sustainability & ESG risk”. Reference to GRI material topics: Non-discrimination.	139 124 – 125 108 117 106 – 107
Combatting Corruption	Effective compliance forms the basis of our long-term success and is therefore a core aspect of our business. Vontobel implements comprehensive, state of-the-art measures to ensure continuous compliance with laws and regulatory requirements. As part of our Group-wide risk analysis, teams of specialists regularly assess all our areas of business using appropriate compliance processes to ensure they are legally compliant. Our Code of Conduct lays out the principles that shape the way we work at Vontobel along our values and behaviors and our Employee Handbook sets out specific guidelines and instructions. All Vontobel employees are subject to specific directives setting out Vontobel’s principles and guidelines. Current and comprehensive policies are accessible at any time and include the “Group policy on Conflicts of Interest”. Specifically, the area of anti-bribery and corruption is a key are of focus in adhering to our compliance requirements and is addressed by the provision of employee trainings. More information and a description of policies, processes and measures regarding combatting corruption can be found in the section “Anti-bribery, corruption and money laundering”. Reference to GRI material topics: Anti-corruption.	108 – 109

Approval process Sustainability Report 2023

The chapter “Corporate Responsibility & Sustainability” of the Annual Report (also referred to as “Sustainability Report”) serves as a report for purposes of the Swiss Code of Obligations Art. 964 a – 964 c.

We report on sustainability matters in accordance with the GRI standards. More details can be found in the section “GRI Index”. For the first time, the report contains more detailed information on the TCFD recommendations. More information can be found in the section “TCFD index”. Vontobel has been a member of the UN Global Compact and of the Global Compact Network Switzerland since 2017. We provide detail on the implementation of the Ten Principles of the UN Global Compact at Vontobel in the section “UN Global Compact index”.

The Annual Report including the Sustainability Report is produced in English and German. In addition, the Sustainability Report is published in French as a standalone document.

The Board of Directors of Vontobel Holding AG approved the Sustainability Report at its meeting on February 1, 2024; the Sustainability Report serves as a report on non-financial matters in accordance with Art. 964c para. 1 of the Swiss Code of Obligations.

The Board of Directors submits the Sustainability Report 2023 to the Annual General Meeting for approval. The Board of Directors will ensure that the report is made publicly available and that the report remains online for at least 10 years.

For the Board of Directors	Chief Financial Officer (CFO) / Chief Risk Officer (CRO)
Andreas E.F. Utermann	Thomas Heinzl

Building a better
working world

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To the Management of
Vontobel Holding AG, Zurich

Zurich, 7 February 2024

Independent Assurance Report on Selected Sustainability Metrics

We have been engaged to perform a limited assurance engagement (the engagement) on the key performance indicators marked with a "☑" (the KPIs) disclosed in Vontobel Holding AG's (the Company's) Annual Report 2023 in the chapter "Corporate Responsibility & Sustainability" (the report) for the reporting period from 1 January 2023 to 31 December 2023:

- FS11: Percentage of assets subject to positive and negative environmental or social screening; page 114
- GRI 2-7: Employees; page 129, 132
- GRI 302-1: Energy consumption within the organization; pages 122, 123
- GRI 302-3: Energy intensity; pages 122, 123
- GRI 305-1: Direct (Scope 1) GHG emissions; pages 122, 123
- GRI 305-2: Energy indirect (Scope 2) GHG emissions; pages 122, 123
- GRI 305-3: Other indirect (Scope 3) GHG emissions; pages 122, 123
- GRI 305-4: GHG emissions intensity; pages 122, 123
- GRI 401-1: New employee hires and employee turnover; pages 131, 132
- GRI 405-1: Diversity of governance bodies and employees; pages 130, 132

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the report, and accordingly, we do not express a conclusion on this information.

Applicable criteria

The Company defined as applicable criteria (applicable criteria):

- Global Reporting Initiative Sustainability Reporting Standards (GRI Standards)
- Global Reporting Initiative G4 Sector Disclosures for Financial Services

A summary of the standards is presented on the GRI homepage. We believe that these criteria are a suitable basis for our limited assurance engagement.

Responsibility of the Management

The Management is responsible for the selection of the applicable criteria and for the preparation and presentation, in all material respects, of the disclosed KPIs in accordance with the applicable criteria. This responsibility includes the design, implementation, and maintenance of internal controls relevant to the preparation of the KPIs that are free from material misstatement, whether due to fraud or error.

Independence and quality control

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

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Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our responsibility

Our responsibility is to express a conclusion on the above mentioned KPIs based on the evidence we have obtained. We conducted our limited assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we plan and perform this engagement to obtain limited assurance about whether the KPIs in the report are free from material misstatements, whether due to fraud or error.

Summary of work performed

Based on risk and materiality considerations we have undertaken procedures to obtain sufficient evidence. The procedures selected depend on the practitioner's judgment. This includes the assessment of the risks of material misstatements in the above mentioned KPIs. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in scope than, for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had we performed a reasonable assurance engagement.

Although we considered the effectiveness of management's internal control when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

The Greenhouse Gas (GHG) quantification process is subject to scientific uncertainty, which arises because of incomplete scientific knowledge about the measurement of GHGs. Additionally, GHG procedures are subject to estimation (or measurement) uncertainty resulting from the measurement and calculation processes used to quantify emissions within the bounds of existing scientific knowledge.

Our limited assurance procedures included, amongst others, the following work:

- Assessment of the suitability of the underlying criteria and their consistent application
- Interviews with relevant personnel to understand the business and reporting processes, including the sustainability strategy, principles and management
- Interviews with the Company's key personnel to understand the sustainability reporting systems during the reporting period, including the processes for collecting, collating and reporting the KPIs
- Checking that the calculation criteria have been correctly applied in accordance with the methodologies outlined in the applicable criteria
- Analytical review procedures to support the reasonableness of the data
- Identifying and testing assumptions supporting calculations
- Testing, on a sample basis, underlying source information to check the accuracy of the data
- Review of the chapter "Corporate Responsibility & Sustainability" of the Annual Report 2023 regarding plausibility and consistency with the KPIs

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

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Conclusion

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the KPIs for the reporting period from 1 January 2023 to 31 December 2023 have not been prepared, in all material respects, in accordance with the applicable criteria.

Ernst & Young Ltd

Mark Veser (Qualified Signature)	Andreas Blumer (Qualified Signature)
Executive in Charge	Partner

Consolidated financial statements

Notes to the consolidated financial statements

Consolidated income statement

Consolidated income statement

	NOTE	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Interest and dividend income		263.0	126.6	136.5	108
Interest expense		83.6	22.2	61.4	277
Credit loss (expense) / recovery		–0.0	–3.0	3.0	100
Net interest and dividend income	1	**179.5**	**101.4**	**78.0**	**77**
Fee and commission income		1,099.3	1,191.0	–91.7	–8
Fee and commission expense		312.0	357.2	–45.2	–13
Net fee and commission income	2	**787.3**	**833.8**	**–46.5**	**–6**
Trading income	3	**338.1**	**338.4**	**–0.2**	**–0**
Other income	4	**–0.3**	**11.5**	**–11.8**	**–103**
Total operating income		**1,304.6**	**1,285.1**	**19.5**	**2**
Personnel expense	5	685.0	655.9	29.1	4
General expense [1]	6	250.9	258.6	–7.7	–3
Depreciation of property, equipment (incl. software) and intangible assets	7	106.0	103.3	2.7	3
Total operating expense		**1,041.9**	**1,017.7**	**24.1**	**2**
Profit before taxes		**262.7**	**267.4**	**–4.7**	**–2**
Taxes	8	48.0	37.5	10.5	28
Group net profit		**214.7**	**229.8**	**–15.1**	**–7**
of which allocated to shareholders of Vontobel Holding AG		*214.7*	*229.8*	*–15.1*	*–7*

Share information

	NOTE	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Basic earnings per share [2] (CHF)	9	3.86	4.13	–0.27	–7
Diluted earnings per share [2] (CHF)	9	3.75	4.01	–0.26	–6

1 Including provisions and losses, refer to section 4.1.2 of the accounting principles
2 Basis: Weighted average number of shares

Consolidated statement of comprehensive income

Consolidated statement of comprehensive income

	NOTE	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Group net profit according to the income statement		**214.7**	**229.8**	**–15.1**	**–7**
Other comprehensive income					
Other comprehensive income that will be reclassified to the income statement					
Currency translation adjustments:					
Income during the reporting period		–8.0	13.8	–21.8	–158
Gains and losses transferred to the income statement					
Tax effect on currency translation adjustments					
Total currency translation adjustments		–8.0	13.8	–21.8	–158
Debt instruments in financial investments:					
Income during the reporting period		37.3	–88.0	125.3	142
Gains and losses transferred to the income statement		10.2	–1.0	11.2	
Tax effect on income from debt instruments in financial investments		–8.8	16.3	–25.1	–154
Total debt instruments in financial investments		38.6	–72.7	111.4	153
Total other comprehensive income that will be reclassified to the income statement		**30.7**	**–58.9**	**89.6**	**152**
Other comprehensive income that will not be reclassified to the income statement					
Income from equity instruments in financial investments		–19.4	–8.1	–11.3	–140
Tax effect on income from equity instruments in financial investments		3.7	1.5	2.1	140
Income from defined benefit pension plans		12.3	–39.4	51.8	131
Tax effect on income from defined benefit pension plans		–2.4	8.1	–10.5	–130
Total other comprehensive income that will not be reclassified to the income statement		**–5.8**	**–37.9**	**32.1**	**85**
Total other comprehensive income		**24.9**	**–96.9**	**121.7**	**126**
Comprehensive income		**239.6**	**133.0**	**106.6**	**80**
of which allocated to shareholders of Vontobel Holding AG		*239.6*	*133.0*	*106.6*	*80*

Consolidated balance sheet

Assets

	NOTE	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Cash		3,494.5	3,884.2	–389.7	–10
Due from banks		1,816.4	1,575.1	241.4	15
Receivables from securities financing transactions	19	0.0	894.0	–894.0	–100
Loans	11	6,312.0	7,462.3	–1,150.2	–15
Trading portfolio assets	12	4,577.4	4,651.7	–74.2	–2
Positive replacement values	12	317.7	439.4	–121.7	–28
Other financial assets at fair value	12	9,713.5	8,297.2	1,416.3	17
Financial investments	13	1,145.8	1,727.3	–581.5	–34
Investments in associates	14	2.7	3.7	–1.0	–27
Property, equipment and software	15	366.3	383.9	–17.7	–5
Goodwill and other intangible assets	17	613.6	629.6	–16.1	–3
Other assets	18	786.0	560.9	225.1	40
Total assets		**29,146.0**	**30,509.2**	**–1,363.2**	**–4**

Liabilities and equity

	NOTE	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Due to banks		1,275.7	1,140.5	135.2	12
Payables from securities financing transactions	19		92.5	–92.5	–100
Customer deposits		9,951.5	13,240.9	–3,289.4	–25
Trading portfolio liabilities	12	189.8	170.4	19.3	11
Negative replacement values	12	1,007.9	1,191.0	–183.0	–15
Other financial liabilities at fair value	12	12,180.1	10,124.2	2,055.9	20
Debt issued	22	646.7	1,043.2	–396.5	–38
Provisions	23	15.1	14.9	0.2	1
Other liabilities	24	1,786.9	1,473.0	313.9	21
Total liabilities		**27,053.7**	**28,490.6**	**–1,436.9**	**–5**
Share capital	25	56.9	56.9		
Treasury shares	25	–93.6	–113.7	20.2	18
Capital reserve		–400.2	–382.9	–17.3	–5
Retained earnings		2,620.0	2,579.8	40.2	2
Other components of shareholders' equity		–90.8	–121.4	30.7	25
Shareholders' equity		**2,092.4**	**2,018.6**	**73.7**	**4**
Minority interests					
Total equity		**2,092.4**	**2,018.6**	**73.7**	**4**
Total liabilities and equity		**29,146.0**	**30,509.2**	**–1,363.2**	**–4**

Statement of equity

Statement of equity

CHF M	SHARE CAPITAL	TREASURY SHARES	CAPITAL RESERVE
Balance as of 01.01.2022	**56.9**	**–124.4**	**–357.8**
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		–103.2	
Sale of treasury shares		17.0	–2.8
Share-based compensation expense			46.0
Allocations from share-based compensation		96.9	–68.3
Change in minority interests			
Other effects			
Ownership-related changes		**10.7**	**–25.0**
Balance as of 31.12.2022	**56.9**	**–113.7**	**–382.9**
Balance as of 01.01.2023	**56.9**	**–113.7**	**–382.9**
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		–65.8	
Sale of treasury shares		9.7	–1.0
Share-based compensation expense			36.8
Allocations from share-based compensation		76.3	–53.1
Change in minority interests			
Other effects			
Ownership-related changes		**20.2**	**–17.3**
Balance as of 31.12.2023	**56.9**	**–93.6**	**–400.2**

1 “Currency translation adjustments” and “Unrealized income from debt instruments in financial investments” are reported in the balance sheet item “Other components of shareholders’ equity”.
2 Vontobel Holding AG paid a dividend (gross) of CHF 3.00 (previous year: CHF 3.00) per registered share with a par value of CHF 1.00 in April 2023.

RETAINED EARNINGS	CURRENCY TRANSLATION ADJUSTMENTS[1]	UNREALIZED INCOME FROM DEBT INSTRUMENTS IN FINANCIAL INVESTMENTS[1]	SHAREHOLDERS' EQUITY	MINORITY INTERESTS	TOTAL EQUITY
2,556.7	**–62.2**	**–0.3**	**2,068.9**		**2,068.9**
229.8			229.8		229.8
	13.8	–72.7	–58.9		–58.9
–37.9			–37.9		–37.9
191.9	**13.8**	**–72.7**	**133.0**		**133.0**
–168.9			–168.9		–168.9
			–103.2		–103.2
			14.3		14.3
			46.0		46.0
			28.5		28.5
–168.9			**–183.2**		**–183.2**
2,579.8	**–48.4**	**–73.1**	**2,018.6**		**2,018.6**
2,579.8	**–48.4**	**–73.1**	**2,018.6**		**2,018.6**
214.7			214.7		214.7
	–8.0	38.6	30.7		30.7
–5.8			–5.8		–5.8
208.9	**–8.0**	**38.6**	**239.6**		**239.6**
–168.7			–168.7		–168.7
			–65.8		–65.8
			8.7		8.7
			36.8		36.8
			23.2		23.2
–168.7			**–165.9**		**–165.9**
2,620.0	**–56.3**	**–34.4**	**2,092.4**		**2,092.4**

Consolidated cash flow statement

Consolidated cash flow statement

CHF M	2023	2022
Cash flow from operating activities		
Group net profit (incl. minorities)	214.7	229.8
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	106.0	103.3
Credit loss expense / (recovery)	0.0	3.0
Income from investments in associates	0.0	0.5
Change in provisions	0.2	–1.5
Net income from investing activities	6.7	6.7
Net income from disposal of property, equipment (incl. software) and intangible assets	0.0	0.0
Other non-cash income	27.0	55.5
Net (increase) / decrease in assets / liabilities relating to banking activities:		
Due from / to banks, net	74.8	156.2
Receivables from securities financing transactions	894.0	953.7
Trading positions and replacement values, net	95.4	1,536.5
Other financial assets / liabilities at fair value, net	639.6	–4,959.4
Loans / customer deposits, net	–2,139.2	–1,904.6
Other assets	–218.7	122.7
Payables from securities financing transactions	–92.5	79.8
Other liabilities	366.1	485.7
Adjustment for income tax expenses	48.0	37.5
Income taxes paid	–33.6	–106.6
Cash flow from operating activities	**–11.4**	**–3,201.3**
Cash flow from investing activities		
Business combinations		–98.1
Purchase of associates		
Dividend from associates	1.0	1.2
Settlement of earn-out payments		–0.4
Purchase of property, equipment (incl. software) and intangible assets	–63.4	–66.0
Disposal of property, equipment (incl. software) and intangible assets	0.0	0.1
Investment in financial instruments	–166.5	–814.3
Divestment of financial instruments	686.2	585.2
Cash flow from investing activities	**457.3**	**–392.5**
Cash flow from financing activities		
Repayment of leasing liabilities	–32.3	–31.0
Net movements in treasury shares	–57.1	–88.9
Capital increase / (decrease)		
Dividends paid	–168.7	–168.9
Issued debt instruments	–387.3	593.6
Cash flow from financing activities	**–645.3**	**304.8**
Effects of exchange rate differences	–9.3	–4.5
Net increase / (decrease) in cash and cash equivalents	**–208.7**	**–3,293.4**
Cash and cash equivalents, beginning of the year	5,458.3	8,751.8
Cash and cash equivalents as at the balance sheet date	**5,249.6**	**5,458.3**

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. Lease liabilities and the balance sheet item “Debt issued” comprise liabilities from financing activities.

Information on the consolidated cash flow statement

CHF M	31.12.2023	31.12.2022
Cash and cash equivalents comprise at the balance sheet date		
Cash[1]	3,494.5	3,884.2
Due from banks on demand	1,755.1	1,574.1
Total	**5,249.6**	**5,458.3**

Further information

CHF M	2023	2022
Dividends received	59.1	58.3
Interest received	414.5	186.2
Interest paid	76.4	18.0

1 “Cash” comprises petty 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. For restricted “cash collaterals” see note 20.

Accounting principles

1. General information

Vontobel Holding AG is a public limited company under Swiss law and is headquartered in Zurich. The company's shares are listed on SIX Swiss Exchange.

Vontobel's consolidated financial statements comprise the accounts of Vontobel Holding AG and its subsidiaries. They have been prepared in accordance with the IFRS Accounting Standards (IFRS). The accounting principles applied are the same as in the consolidated financial statements dated December 31, 2022, with the exception of the changes referred to in section 4.

The Board of Directors discussed and approved the present Annual Report at its meeting on February 2, 2024. The Annual Report will be submitted for approval at the General Meeting of Shareholders on April 9, 2024.

2. Estimates, assumptions and judgment

In the preparation of the consolidated financial statements, management has to make numerous estimates and assumptions that may include material uncertainties. These estimates and assumptions are based on the best available information and are adapted continuously in line with new findings and circumstances.

Estimates and assumptions are mainly contained in the following areas of the consolidated financial statements and are discussed in the corresponding notes to the consolidated financial statements: Fair value of financial instruments, expected credit losses, share-based payment, provisions, income taxes, pension plans, leasing, and goodwill and other intangible assets.

In the application of accounting principles, the treatment of the impact of changes in own credit risk from financial liabilities, for which the fair value option is applied – as described in note 3 of the Notes to the consolidated financial statements – involves significant judgment.

3. Summary of the most important accounting principles

3.1 Consolidation principles

Subsidiaries

All companies directly or indirectly controlled by Vontobel Holding AG are consolidated in the consolidated financial statements.

Changes to investments in subsidiaries are recorded as transactions in shareholders' equity provided Vontobel retains control of the subsidiary.

The acquisition of a subsidiary is accounted for using the purchase method. The acquisition costs correspond to the fair value of the consideration at the acquisition date. The identifiable assets acquired and liabilities and contingent liabilities assumed are recognized at fair value at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, the positive difference between the two amounts is recorded as goodwill. If the opposite applies, the negative difference is immediately recognized in the income statement. Transaction costs are charged to the income statement.

The effects of intra-Group transactions are eliminated in the consolidated financial statements.

Associates

Companies over which Vontobel can exert significant influence are accounted for using the equity method. As a rule, influence is deemed significant when Vontobel holds 20 percent to 50 percent of voting rights and/or can put forward at least one member to represent it on the Board of Directors.

The interests acquired in an associate are stated at cost in the balance sheet upon acquisition. The carrying amount of the associate is then adjusted to reflect Vontobel's share of comprehensive income and ownership-related changes to the shareholders' equity of the associate and any impairment.

3.2 Foreign currency translation

Vontobel companies prepare their financial statements in their functional currency. Transactions in a currency other than the functional currency are recognized at the exchange rate on the date of the transaction. Exchange rate differences arising between the date of a transaction and its subsequent settlement are recognized in the income statement. At the balance sheet date, monetary positions are translated into the functional currency using the closing exchange rate, and unrealized exchange differences are recognized in the income statement. Non-monetary items carried at historical cost are translated into the functional currency at the historical exchange rate. Non-monetary items carried at fair value are translated into the functional currency at the closing exchange rate, and unrealized gains and losses resulting from this foreign currency translation are recognized in the income statement in the case of trading portfolio assets and liabilities and other financial instruments at fair value, and in other comprehensive income in the case of financial investments.

When drawing up the consolidated financial statements, the balance sheets of subsidiaries are translated into the presentation currency (Swiss francs) at the closing exchange rates. Average exchange rates for the period under review are used for items in the income statement, other comprehensive income and cash flows. Currency translation adjustments are recognized in other comprehensive income. If a realization event occurs (e.g. sale of a subsidiary), the relevant currency translation adjustments are transferred from other comprehensive income to the income statement. For information on hedges of net investments in foreign operations, please refer to note 31 “Hedge accounting”.

The following rates were used for significant currencies:

	YEAR END RATES		AVERAGE RATES	
	31.12.2023	31.12.2022	2023	2022
1 EUR	0.92973	0.98742	0.97141	1.00463
1 GBP	1.07294	1.11292	1.11742	1.17756
1 USD	0.84165	0.92520	0.89844	0.95060

3.3 Financial instruments

Initial recognition

Purchases and disposals of financial assets are recognized in the balance sheet at the trade date. At the time of initial recognition, all financial instruments are measured at fair value and assigned to one of the following categories in accordance with IFRS 9 criteria: “Fair value through profit or loss (FVTPL)”, “Fair value through other comprehensive income (FVOCI)” or “Amortised cost”. For financial instruments in the category “Fair value through other comprehensive income” and “Amortized cost”, fair value is adjusted by the directly attributable transaction costs.

Measurement of fair value, fair value hierarchy and recognition of “day 1 profit”

For information on the measurement of the fair value of financial instruments, the valuation methods used, the fair value hierarchy and day 1 profit, please refer to note 27 “Fair value of financial instruments”.

Trading portfolio assets and trading portfolio liabilities (“fair value through profit or loss”)

Financial assets or financial liabilities held for trading purposes are recognized at fair value in “Trading portfolio assets” or “Trading portfolio liabilities”. All income components are recognized in “Trading income”.

Derivative financial instruments (“fair value through profit or loss” and hedge accounting)

Derivative instruments are recognized as positive or negative replacement values at fair value. If no hedge accounting is applied, all income components are recognized in “Trading income”. Information on hedge accounting is provided in note 31.

Other financial assets at fair value (“fair value through profit or loss”)

This balance sheet item contains financial assets that are not held for trading purposes but fall within the category “Fair value through profit or loss” due to the criteria set out in IFRS 9. This balance sheet item is treated the same way in the income statement as trading portfolio assets.

Other financial liabilities at fair value (“fair value through profit or loss”)

This balance sheet item contains issued structured products and debt instruments for which the fair value option is applied. They are managed, measured and reported to the Board of Directors and the Executive Committee on a fair value basis according to a documented strategy. They are treated the same way in the income statement as trading portfolio liabilities (information on the treatment of the impact of changes in own credit risk is provided in note 3 “Trading income”).

Financial investments (“fair value through other comprehensive income”)

This balance sheet item contains long-term equity investments (e.g. investments in infrastructure companies) on the one hand, and, on the other hand, debt instruments with a business model aimed at both selling debt instruments and collecting contractual cash flows that are solely payments of principal and interest on the principal amount. The financial investments are recognized at fair value.

In the case of equity investments, dividends are recognized in “Net interest and dividend income” and all other income components are recognized in other comprehensive income. Realized income is not transferred to profit or loss.

In the case of debt instruments, changes in fair value are recognized in other comprehensive income. The change in expected credit losses is shown in “Net interest and dividend income”, and the offsetting entry is recognized in other comprehensive income. If a debt instrument is sold, expected credit losses and cumulative changes in fair value are transferred from other comprehensive income to the income statement. Interest is accrued in the period in which it is earned using the effective interest method and recognized in "Net interest and dividend income". For further information on expected credit losses, see note 28.

Cash, due from banks, receivables from securities financing transactions and loans ("amortised cost")
These positions are held to collect contractual cash flows, that are solely payments of principal and interest on the principal amount. The cash holdings in the balance sheet item "Cash" are recognized at nominal value and other positions are recognized at amortized cost less expected credit losses. Securities received in the context of securities financing transactions are not recognized in the balance sheet, since the risks and rewards of ownership are not transferred to Vontobel.

The change in expected credit losses is shown in "Net interest and dividend income". Interest on positions that are not past due is accrued in the period in which it is earned using the effective interest method and recognized in "Net interest and dividend income". Negative interest is shown as interest expense. For further information on expected credit losses, see note 28.

Due to banks, payables from securities financing transactions, customer deposits and debt issued ("amortised cost")
These positions are recognized at amortized cost. Interest is accrued in the period in which it is incurred using the effective interest method and recognized in "Net interest and dividend income". Negative interest is shown as interest income. Securities that are transferred in the context of securities financing transactions are not derecognized since the risks and rewards of ownership are not transferred. Additional Tier 1 bond positions held due to market making activities are classed as repaid and are offset in the balance sheet item "Debt issued".

Receivables and liabilities in the form of precious metals ("Fair value through profit of loss")
The balance sheet positions due from and to banks, loans and customer deposits may also include receivables and liabilities in the form of precious metals. Such positions are recognized at fair value. All income components from such positions are recognized in "Trading income".

3.4 Precious metals and cryptocurrencies
In connection with its trading and issuing business, Vontobel holds commodities positions – especially in precious metals and cryptocurrencies. They are used primarily to hedge risks arising from the structured products issued. They are measured at fair value less selling costs and are recorded in the balance sheet item "Trading portfolio assets". Gains and losses are recognized in "Trading income". In the Notes to the consolidated financial statements, these items are disclosed together with the financial instruments held for trading purposes.

3.5 Treasury shares and derivatives on own shares
Vontobel Holding AG shares held by Vontobel are recognized in "Treasury shares" in the balance sheet at the weighted average acquisition cost. When treasury shares are sold, the proceeds are recorded in "Capital reserve" and the acquisition cost is transferred from the balance sheet position "Treasury shares" to "Capital reserve".

Derivatives on own shares that have to be physically settled are recognized in shareholders' equity under "Capital reserve". Changes in fair value are not recognized. The settlement of a contract is treated like a purchase or sale of treasury shares.

Derivatives on own shares that are settled in cash or that offer a choice of settlement method are treated as derivative financial instruments.

3.6 Other accounting principles
The accounting principles on the following topics can be found in the corresponding note within the Notes to the consolidated financial statements.

- Net fee and commission income, note 2
- Own credit risk from financial liabilities for which the fair value option is applied, note 3
- Taxes, note 8
- Property, equipment and software, note 15
- Leasing, note 16
- Goodwill and other intangible assets, note 17
- Provisions, note 23
- Fair value of financial instruments, note 27
- Expected credit losses, note 28
- Netting agreements, note 29
- Hedge accounting, note 31
- Employee benefit plans, note 34
- Other employee benefits payable in the long term, note 35
- Employee share-based benefit program and other deferred compensation, note 36
- Segment reporting, note 42
- Unconsolidated structured entities, note 44

4. Changes in financial reporting

4.1 Accounting principles

4.1.1 Standards and interpretations that have been implemented

Vontobel applied the following new or revised standards and interpretations for the first time in the financial year 2023:

IAS 12 – International Tax Reform – Pillar Two Model Rules

The new provisions state that no deferred tax assets and deferred tax liabilities related to OECD pillar two income taxes are to be recognized. The new provisions have to be applied retrospectively, in accordance with IAS 8.

The first-time application of the changes had no impact on Vontobel's consolidated financial statements. See page 190 for further information regarding the OECD global minimum tax.

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:

- IAS 1 – Disclosure of Accounting Policies
- IAS 8 – Definition of Accounting Estimates
- IAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- IFRS 17 – Insurance Contracts

4.1.2 Other changes

Provisions and losses

Provisions and losses were previously reported in the income statement in a line item of the same name. They are now recognized in general expense and reported separately in note 6 relating to general expense. The figures for the prior year were adjusted accordingly.

Segment reporting

In January 2023, the Marketing function that previously formed part of the Marketing & Analytics Center of Excellence was integrated into the Asset Management, Wealth Management and Digital Investing Client Units. The Center of Excellence was renamed "Communications & Brand Marketing". In the segment reporting, the figures for the previous year were adjusted to reflect the new organizational structure.

Disclosure of tax effects of other comprehensive income

Other comprehensive income positions were previously disclosed after taxes in the consolidated statement of comprehensive income. The corresponding tax effects were previously shown in a separte note "Tax effects of other comprehensive income." The tax effects are now disclosed in the consolidated statement of comprehensive income and note is no longer required. The figures for the prior year were adjusted accordingly.

Classification of financial instruments

Note 10 now contains an overview of the allocation of financial instruments to the categories in IFRS 9.

Debt issued

Instead of showing data for the AT1 bonds and private placements as of the balance sheet date, note 22 now shows a reconciliation from the position at the start of the year to the position at the end of the year for AT1 bonds and for private placements.

Unrealized gains and losses on financial investments

The information previously provided in a separate note is now disclosed in aggregate in note 13 "Financial investments".

4.2 Estimation methods

There were no changes to estimation methods compared to the previous year.

5. Standards and interpretations that have not yet been implemented

Various new and revised standards and interpretations have to be applied for financial years beginning on or after January 1, 2024. Vontobel has not made use of the option of applying the following standards and interpretations prior to the effective dates.

Based on initial analyses, the following new and revised standards and interpretations are not expected to have a significant impact on Vontobel's net profit, comprehensive income and shareholders' equity or are not expected to be relevant to Vontobel:
- IAS 1 – Classification of Liabilities as Current or Non-current
- IAS 1 – Non-current Liabilities with Covenants
- IAS 7/IFRS 7 – Supplier Finance Arrangements
- IAS 21 – Lack of Exchangeability
- IFRS 16 – Lease Liability in a Sale and Leaseback

Risk management and risk control

1. Risk policy

A conscious and prudent approach to risk is a prerequisite for the sustained, long-term success of Vontobel. The assumption of risk is an inherent part of its business activities. The Group-wide risk culture, which is firmly established at every level of the company and is reviewed on an ongoing basis, ensures that risks are recognized and that appropriate control and mitigation mechanisms are implemented and refined.

In its risk policy – which is part of the institution-wide Risk Management Framework – Vontobel defines the relevant risk categories (risk taxonomy), the corresponding risk appetite, as well as the powers of authorization, organizational structure, methods and processes for the management and control of risks. The appropriateness of the risk policy is reviewed at least once annually by the Board of Directors.

The Board of Directors evaluates and monitors the Group's Internal Control System using a systematically developed risk analysis model discussed with the Executive Committee.

The Risk Management and Risk Control units ensure that all risks are managed and monitored with the utmost care.

The most important principles regarding risk management and control are:
- Clearly delegated responsibilities and powers of authorization
- Alignment of risk profile, risk appetite and risk capacity
- Independent control functions and adequate human and technical resources
- Adequate internal control systems
- Transparency about the risks taken is provided through comprehensive reporting of the risk profile (risks taken) and risk appetite.

Clear responsibilities and powers of authorization
Organizational aspects and powers of authorization relating to the management and control of all risks have been defined as follows:
- The Board of Directors has the ultimate responsibility for risk issues.
- The Executive Committee is responsible for the operational implementation of the risk policy and for the management and control of all risks.
- The heads of the Client Units and Centers of Excellence are responsible for managing risks in accordance with the relevant qualitative and quantitative guidelines.
- The Risk Control divisions are responsible for risk control.

Alignment of risk profile and risk capacity
Comprehensive, combined Group-wide stress tests are conducted on a regular basis. In addition to market and credit risks (i.e. position risks), these tests assess operational risks as well as risks relating to income and costs. The results of the stress tests are compared with Vontobel's risk capacity to ensure that its risk profile does not exceed the available risk capacity and that any adjustments are made promptly.

Independent control functions as well as adequate human and technical resources
The Risk Control divisions that are responsible for risk control report directly to the Chief Financial Officer (CFO). The CFO role is independent from the Client Units and the supervised Centers of Excellence and is part of the Executive Committee.

The Risk Control divisions are organized into various teams, which are responsible for the subsequent independent monitoring of market, credit and counterparty risks and operational risks in general, as well as the risks that result when client assets are not invested in accordance with internal or external regulations (investment control) in particular.

In terms of operational risks in particular, an important role is also played by the Center of Excellence Legal & Compliance. The head of Legal & Compliance is the General Counsel, who also works independently from the Client Units and Centers of Excellence and is a member of the Executive Committee.

The Risk Control divisions are primarily responsible for identifying risks related to ongoing business activities, changes in the environment (markets or regulation) or the launch of new activities (new products and services or new markets). Secondly, it records the identified risks using suitable methods and quantifies them using measuring systems as far as possible. These risks are then consolidated, analyzed and monitored. Vontobel employs conventional methods and procedures to achieve this (see the following sections on the individual risk categories). Market, counterparty and credit risks are monitored on a daily basis and compared with the limits that have been set. If any limits are exceeded, this is reported immediately and the position is monitored closely until the additional exposure is reduced. The Risk Control divisions' third responsibility is to transparently present the risks that have been assumed.

Adequacy of internal control systems
The management and control of all risks is essentially performed using a holistic approach referred to as the Internal Control System (ICS). In accordance with FINMA Circular 01/17 "Corporate governance – banks", as well as the provisions governing control processes during the production of financial statements according to the Swiss Code of Obligations, existing control processes are regularly reviewed and further optimized. As well as ensuring compliance with legal and regulatory requirements, the focus is on ensuring the effectiveness, efficiency and reliability of business processes as well as of financial information and risk data.

Transparency regarding the risks taken
Vontobel's risk policy distinguishes between strategic, market, liquidity, credit, counterparty, operational and reputational risks. The latter are considered to be of particular and overriding importance. The Board of Directors, the Executive Committee and employees know that the good reputation of Vontobel and the trust which is placed in it are based on their ability to strike a balance between profit orientation, risk tolerance, and compliance with mandatory rules of conduct each day.

The transparent presentation of the risk profile in consolidated form and of the individual risks that have been assumed in detailed form is a core function of the Risk Control divisions (see above). The front office areas that are responsible for risk management are informed about market and counterparty risks on a daily basis, mainly via suitable reports. However, reports on operational risks are provided at appropriate intervals rather than on a daily basis. A Committee for Operational Risks is convened on a monthly basis.

The Executive Committee and the Board of Directors are informed in full about any changes in individual risk factors and the Group's risk profile via consolidated periodic risk reports.

2. Strategic risk

Vontobel defines strategic risk as the risk that the strategic objectives it has set, and the operational objectives derived from them, will not be realized in the course of current business operations due to a failure to adequately adapt to changing operating conditions or as a result of decisions that subsequently prove to be wrong.

Strategic risk is regularly reviewed and assessed as part of Vontobel's holistic approach to risk monitoring, with a particular focus being placed on the assessment of the environment and of the company's strategic direction. The Executive Committee is informed of the qualitative results of the analysis, which are approved by the Board of Directors. If necessary, risk mitigation measures are defined and implemented. These measures are also taken into account in strategic and operational planning.

3. Market risk

3.1 General information
Market risk refers to the risk of losses as a result of changes in market parameters such as interest rates, credit spreads, foreign exchange rates, stock prices or commodities prices and the corresponding volatilities. Market risks are relevant in various areas, both in the Structured Products division and in the Treasury division (aggregated in the Center of Excellence Structured Solutions & Treasury).

In Structured Products, the major proportion of the risk positions originates from the business with proprietary products such as warrants, certificates and structured products, as well as the hedging of these instruments. Structured Products is responsible for these positions, as well as for foreign exchange and money market trading, the management of the foreign exchange position and collateral trading (repo transactions and securities lending and borrowing transactions).

Market risks are limited and monitored using a multi-level system of limits. In addition to the Value at Risk limits and stress exposure limits prescribed at a global level and for each trading unit, this system defines a wide range of detailed sensitivity limits and volume limits in order to control and limit risks.

Positions involving market risks are also held in Treasury. Financial investments consist of broadly diversified portfolios of interest rate instruments and some long-term and non-consolidated participations (see note 13). To quantify and limit risk, the same measurement methods – i.e. Value at Risk and stress exposure – are used for these positions at a consolidated level as well as for the positions held by Structured Products. Further information on market risks at overall balance sheet level (interest rate risks and currency risks) can be found in section 3.3 "Market risks related to the balance sheet structure".

3.2 Market risks in the Structured Products and Treasury divisions

3.2.1 Value at Risk (VaR)

The management and control of market risks for all the positions in Structured Products as well as for securities holdings in Treasury are based on specific sensitivity and volume limits as well as on Value at Risk and stress exposure measurements, in line with the general market standard.

VaR is measured daily using the historical simulation method. All instruments are revalued based on historical changes to the risk factors. As a result, the historically observed volatility of the individual risk factors and the historically observed correlations between the individual risk factors are incorporated directly into the VaR calculations. The confidence level is 99 percent, the holding period is set at one day and the historical period of observation to determine the time series relevant to VaR extends over the last four years.

The following table shows the VaR for Vontobel as a whole, as well as for Structured Products. The average VaR for the year under review totaled CHF 8.0 million for Vontobel as a whole, of which CHF 5.9 million related to Structured Products (2022: average VaR of CHF 7.5 million for Vontobel and of CHF 5.9 million for Structured Products).

The table also shows the relative importance of the VaR of the individual risk factors as a proportion of total VaR. The average VaR figures indicate that in the case of Vontobel, equity and interest rate risks (including issuer-specific credit spread risks) represent the most significant risk factors. Currency and commodities risks are of secondary importance.

Value at Risk (VaR) for Vontobel overall and for Structured Products[1]

CHF M	EQUITIES[2]	INTERESTS INCL. CREDIT SPREAD	CURRENCIES[3]	COMMODITIES	DIVERSIFICATION	31.12.2023 TOTAL
Vontobel:	**2.7**	**5.4**	**3.0**	**0.2**	**–6.8**	**4.5**
Average	3.5	11.4	0.9	0.3	–8.2	8.0
Minimum	2.1	5.4	0.2	0.1	n/a[4]	4.5
Maximum	4.7	19.0	9.7	1.5	n/a[4]	13.0
of which Structured Products	*2.8*	*4.9*	*2.3*	*0.2*	*–5.9*	*4.4*
Average	*3.5*	*8.1*	*1.0*	*0.3*	*–7.0*	*5.9*
Minimum	*2.2*	*4.9*	*0.2*	*0.1*	*n/a[4]*	*3.5*
Maximum	*4.7*	*13.7*	*9.5*	*1.5*	*n/a[4]*	*9.0*

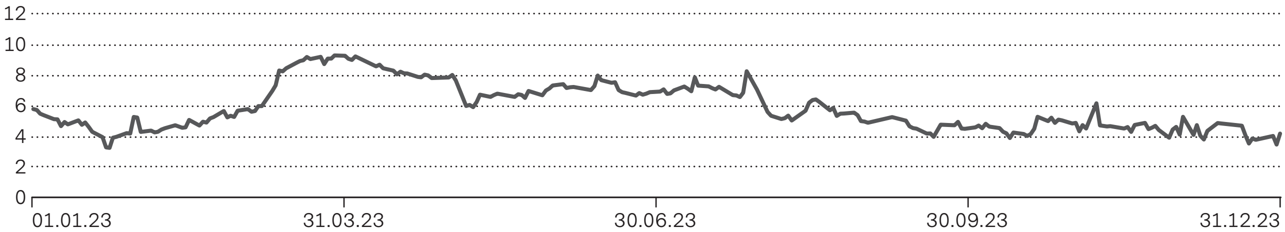
Value at Risk (VaR) for Vontobel overall and for Structured Products[1]

CHF M	EQUITIES[2]	INTERESTS INCL. CREDIT SPREAD	CURRENCIES[3]	COMMODITIES	DIVERSIFICATION	31.12.2022 TOTAL
Vontobel:	**5.2**	**11.4**	**0.2**	**0.6**	**–9.2**	**8.2**
Average	4.8	8.9	1.6	0.4	–8.2	7.5
Minimum	2.5	3.4	0.2	0.2	n/a[4]	4.0
Maximum	8.4	13.8	5.9	1.5	n/a[4]	11.3
of which Structured Products	*5.2*	*6.9*	*0.2*	*0.6*	*–6.8*	*6.2*
Average	*4.8*	*5.1*	*1.5*	*0.4*	*–5.9*	*5.9*
Minimum	*2.5*	*2.3*	*0.2*	*0.2*	*n/a[4]*	*3.7*
Maximum	*8.4*	*8.8*	*5.7*	*1.5*	*n/a[4]*	*9.3*

1 99% confidence level; 1-day holding period; historical observation period of the last four years. The contributions to the risk factors include both price and volatility risks.
2 Including positions in investment funds and hedge funds
3 Including precious metals
4 The maximum and minimum exposures for the total VaR and component VaR may have arisen on different days. Diversification is therefore not applicable here.

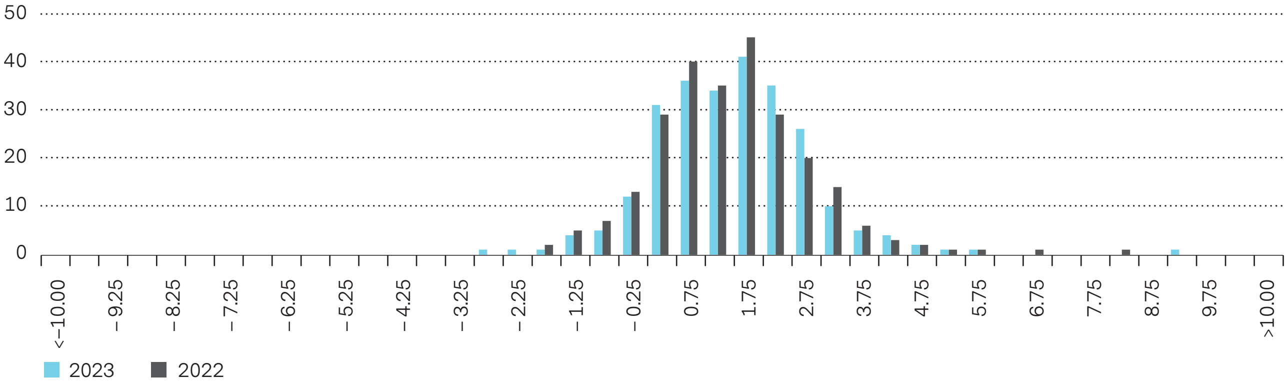
The graph below shows the development over time of 1-day VaR for the positions of Structured Products at Vontobel. There is also a graph to show the frequency distribution of daily gains and losses for the years 2023 and 2022.

Value at Risk (VaR)[1] for the positions of Structured Products
CHF M



1 99% confidence level; 1-day holding period; last four years historical observation period

Frequency distribution of the gains and losses of the positions of Structured Products[1]
number of days



1 The reported gains and losses represent actual income incl. spreads as well as income from intraday trading (in CHF M).

3.2.2 Stress exposure

In addition to the VaR limits based on a 99 percent confidence level, stress exposure limits have also been defined. The corresponding stress tests are conducted on a daily basis. All positions held by Structured Products and all securities positions of Treasury are re-evaluated in a variety of stress scenarios (with 1-day to 10-day holding periods) and the scenario with the largest loss is subsequently defined as the stress exposure. The calculations are based on historical and institute-specific stress scenarios. The stress scenarios are reviewed regularly and are supplemented or adapted where necessary based on changes in the market environment and risk positioning.

3.3 Market risks related to the balance sheet structure

Treasury (within the Center of Excellence Structured Products & Treasury) is responsible for managing the balance sheet structure, capital and liquid assets. Interest rate risks and currency risks are monitored and limited as part of the Group's asset and liability management (ALM) activities. Treasury is also responsible for securing refinancing and monitoring liquidity risk on a continuous basis.

3.3.1 Interest rate risk

Interest rate and foreign exchange risks arise in balance sheet management through differing fixed interest rate periods and foreign currencies on the asset and liability side of the balance sheet and for off-balance-sheet items. These risks are managed and monitored at an aggregated level. The impact of interest rate sensitivities on the market value of shareholders' equity (broken down to show Structured Products and Treasury positions) are presented below. The table shows the gains and losses by currency and maturity range, assuming a + / –100 basis point change in interest rates. Assuming additive aggregation between individual currencies, the sensitivity to a +100 basis points change corresponds to CHF –28.4 million for the current year and CHF –33.9 million for the previous year.

Interest rate risks

	INTEREST RATE SENSITIVITY AS OF 31.12.2023					
CHF M	UP TO 1 MONTH	1 TO 3 MONTHS	3 TO 12 MONTHS	1 TO 5 YEARS	MORE THAN 5 YEARS	TOTAL
Interest rate risks						
+100 basis points						
CHF: Vontobel	0.5	0.6	3.9	–15.7	–13.2	–24.0
of which Structured Products	*–0.1*	*–0.2*	*1.6*	*–1.2*	*–0.2*	*–0.2*
of which Treasury	*0.6*	*0.8*	*2.3*	*–14.5*	*–13.0*	*–23.9*
USD: Vontobel	0.9	–0.4	1.9	–3.2	0.7	–0.1
of which Structured Products	*0.2*	*–0.6*	*0.5*	*0.5*	*–0.5*	*0.1*
of which Treasury	*0.7*	*0.2*	*1.4*	*–3.7*	*1.2*	*–0.2*
EUR: Vontobel	0.5	–0.1	2.4	–3.7	–2.8	–3.9
of which Structured Products	*–0.0*	*–0.3*	*1.6*	*0.4*	*–1.0*	*0.5*
of which Treasury	*0.5*	*0.2*	*0.8*	*–4.1*	*–1.8*	*–4.4*
Others: Vontobel	0.0	–0.0	0.4	–0.6	–0.2	–0.4
of which Structured Products	*0.0*	*0.1*	*0.5*	*–0.4*	*–0.2*	*–0.0*
of which Treasury	*0.0*	*–0.1*	*–0.1*	*–0.2*	*0.0*	*–0.4*
–100 basis points						
CHF: Vontobel	–0.5	–0.6	–3.8	16.5	14.6	26.3
of which Structured Products	*0.1*	*0.2*	*–1.5*	*1.4*	*0.4*	*0.7*
of which Treasury	*–0.6*	*–0.8*	*–2.3*	*15.1*	*14.2*	*25.5*
USD: Vontobel	–0.9	0.4	–1.9	3.7	–0.7	0.5
of which Structured Products	*–0.2*	*0.6*	*–0.5*	*–0.1*	*0.5*	*0.2*
of which Treasury	*–0.7*	*–0.2*	*–1.4*	*3.8*	*–1.2*	*0.3*
EUR: Vontobel	–0.5	0.2	–2.4	4.6	3.0	5.0
of which Structured Products	*0.0*	*0.4*	*–1.6*	*0.4*	*1.0*	*0.3*
of which Treasury	*–0.5*	*–0.2*	*–0.8*	*4.2*	*2.0*	*4.7*
Others: Vontobel	–0.0	0.0	–0.4	0.8	0.2	0.7
of which Structured Products	*–0.0*	*–0.1*	*–0.5*	*0.5*	*0.2*	*0.2*
of which Treasury	*0.0*	*0.1*	*0.1*	*0.3*	*0.0*	*0.4*

Interest rate risks

						INTEREST RATE SENSITIVITY AS OF 31.12.2022
CHF M	**UP TO 1 MONTH**	**1 TO 3 MONTHS**	**3 TO 12 MONTHS**	**1 TO 5 YEARS**	**MORE THAN 5 YEARS**	**TOTAL**
Interest rate risks						
+100 basis points						
CHF: Vontobel	2.3	–0.3	11.3	–12.2	–21.5	–20.2
of which Structured Products	*0.0*	*–0.1*	*1.0*	*–0.9*	*–0.1*	*0.1*
of which Treasury	*2.3*	*–0.2*	*10.3*	*–11.3*	*–21.4*	*–20.4*
USD: Vontobel	1.1	0.1	3.1	–13.4	–0.2	–9.3
of which Structured Products	*0.0*	*–0.1*	*0.7*	*–1.8*	*0.8*	*–0.4*
of which Treasury	*1.1*	*0.2*	*2.4*	*–11.6*	*–1.0*	*–8.9*
EUR: Vontobel	1.1	–0.4	2.6	–5.4	–0.8	–2.9
of which Structured Products	*–0.0*	*–0.1*	*–0.1*	*–1.3*	*1.2*	*–0.3*
of which Treasury	*1.1*	*–0.3*	*2.7*	*–4.1*	*–2.0*	*–2.7*
Others: Vontobel	0.0	–0.2	–0.7	–0.5	–0.2	–1.5
of which Structured Products	*0.0*	*–0.1*	*–0.2*	*–0.2*	*–0.2*	*–0.6*
of which Treasury	*0.0*	*–0.1*	*–0.5*	*–0.3*	*0.0*	*–0.9*
–100 basis points						
CHF: Vontobel	–2.3	0.3	–11.7	12.5	23.6	22.4
of which Structured Products	*–0.0*	*0.0*	*–1.2*	*0.7*	*0.2*	*–0.3*
of which Treasury	*–2.3*	*0.3*	*–10.5*	*11.8*	*23.4*	*22.6*
USD: Vontobel	–1.1	–0.1	–3.3	14.2	0.2	10.0
of which Structured Products	*–0.0*	*0.1*	*–0.8*	*2.2*	*–0.9*	*0.7*
of which Treasury	*–1.1*	*–0.2*	*–2.5*	*12.0*	*1.1*	*9.4*
EUR: Vontobel	–1.1	0.3	–2.8	5.5	0.9	2.9
of which Structured Products	*0.0*	*0.0*	*–0.1*	*1.2*	*–1.3*	*–0.1*
of which Treasury	*–1.1*	*0.3*	*–2.7*	*4.3*	*2.2*	*3.0*
Others: Vontobel	–0.0	0.2	0.7	0.5	0.2	1.6
of which Structured Products	*–0.0*	*0.1*	*0.2*	*0.2*	*0.2*	*0.7*
of which Treasury	*0.0*	*0.1*	*0.5*	*0.3*	*0.0*	*0.9*

In the consolidated financial statements according to IFRS, the market value effect of changes in interest rates in the Structured Products business has an impact on the income statement as well as shareholders' equity, whereas the market value effect of changes in interest rates in Treasury is only reflected in shareholders' equity.

If interest rates changed by +100 (–100) basis points, the market value effect in the Structured Products business would be CHF +0.4 million as of December 31, 2023, and CHF –1.2 million as of December 31, 2022 (December 31, 2023: CHF +1.4 million, December 31, 2022: CHF +1.0 million). The total market value effect would be CHF –28.4 million as of December 31, 2023, and CHF –33.9 million as of December 31, 2022 (December 31, 2023: CHF +32.5 million, December 31, 2022: CHF +36.9 million).

In view of the limited significance of interest income from variable interest-bearing positions and positions that expire in the course of the year, the impact of a change in interest rates on income levels has not been simulated.

3.3.2 Currency risk

As in the case of interest rate risks, currency risks resulting from to trading and the balance sheet structure are kept at a low level. This is achieved primarily through currency-congruent investments and refinancing activities. The following table shows the sensitivities to changes in foreign exchange rates of +/-5 percent according to internal reports.

Currency risks

	CURRENCY SENSITIVITY AS OF 31.12.2023					
1,000 CHF	USD	EUR	JPY	GBP	PRECIOUS METALS	OTHERS
+5%						
Vontobel	1,087.7	–1,078.9	205.4	313.1	–120.2	213.4
of which Structured Products	*208.4*	*–1,247.6*	*96.7*	*219.4*	*–120.2*	*382.0*
of which Treasury	*879.3*	*168.7*	*108.7*	*93.7*	*0.0*	*–168.6*
–5%						
Vontobel	–3,579.6	–721.6	–275.2	–357.6	–475.5	–278.4
of which Structured Products	*–2,700.3*	*–552.9*	*–166.5*	*–263.9*	*–475.5*	*–447.0*
of which Treasury	*–879.3*	*–168.7*	*–108.7*	*–93.7*	*0.0*	*168.6*

Currency risks

	CURRENCY SENSITIVITY AS OF 31.12.2022					
1,000 CHF	USD	EUR	JPY	GBP	PRECIOUS METALS	OTHERS
+5%						
Vontobel	2,603.8	173.9	–310.9	2,206.1	–22.1	–1,588.7
of which Structured Products	*1,848.4*	*78.9*	*–78.1*	*19.5*	*–22.1*	*253.2*
of which Treasury	*755.4*	*95.0*	*–232.8*	*2,186.6*	*0.0*	*–1,841.9*
–5%						
Vontobel	–1,780.6	–96.9	231.2	–2,241.2	–85.6	1,513.9
of which Structured Products	*–1,025.2*	*–1.8*	*–1.7*	*–54.6*	*–85.6*	*–328.0*
of which Treasury	*–755.4*	*–95.0*	*232.8*	*–2,186.6*	*0.0*	*1,841.9*

4. Liquidity risk and refinancing

Liquidity risk refers to the risk of being unable to cover short-term funding needs at any time (e.g. due to the impossibility of substituting or renewing deposits, outflows of funds due to drawing on lending commitments or margin calls). Liquidity risk management ensures that Vontobel always has sufficient liquidity to be able to fulfil its payment obligations, even in stress scenarios. The liquidity risk management system therefore comprises operational risk measurement and control systems to ensure its continuous ability to pay its obligations at any time. It also defines strategies and requirements for the management of liquidity risk under stress conditions as part of the defined liquidity risk tolerance. They mainly include risk mitigation measures, the holding of a liquidity buffer comprising highly liquid assets, and a contingency plan to manage any liquidity shortfalls.

The diversification of sources of refinancing and access to the repo market ensure that cash and cash equivalents are rapidly available on a secured basis if required. Liquidity is monitored and assured on a daily basis. The continuous monitoring of the volume and quality of available collateral also ensures that Vontobel always has adequate refinancing capabilities. In the event of an unexpected tightening of liquidity, the Group can also access a portfolio of positions that retain their value and can easily be liquidated.

The maturity structure of assets and liabilities is shown in note 26. Liquidity has to be provided for the daily market making required for the issuing and trading business. Consequently, the balance sheet positions “Trading portfolio assets”, “Positive replacement values”, “Other financial assets at fair value”, “Trading portfolio liabilities”, “Negative replacement values” and “Other financial liabilities at fair value” are not broken down into individual cash flows and divided into different maturity ranges but are, instead, reported at fair value in the “Demand” column. In the case of the other financial balance sheet positions, the carrying amounts values are reported in the maturity range which represents the earliest point at which payment can be demanded according to the contractual provisions. In view of the predominantly short maturities, the breakdown of these positions into individual cash flows would provide an only marginally different view.

As part of the package of reforms announced by the Basel Committee on Banking Supervision (BCBS) in December 2010, it was decided that two quantitative minimum standards for liquidity management would be introduced: (a) the liquidity coverage ratio (LCR), which took effect on 1 January 2015, and (b) the net stable funding ratio (NSFR), which was introduced on July 1, 2021.

Liquidity coverage ratio in accordance with FINMA Circular 15/02

AVERAGE	H2 2023	Q4 2023	Q3 2023
Total stock of high-quality liquid assets (HQLA) in CHF M	9,719.4	9,670.1	9,768.8
Total net cash outflows in CHF M	4,661.6	4,426.0	4,897.2
Liquidity coverage ratio LCR in %	208.5	218.5	199.5

Net Stable Funding Ratio in accordance with FINMA Circular 15/02

	31.12.2023	31.12.2022
Available stable funding (ASF) in CHF M	14,136.4	15,009.1
Required stable funding (RSF) in CHF M	12,404.1	12,390.0
Net Stable Funding Ratio NSFR in %	114.0	121.1

The liquidity coverage ratio is disclosed 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.

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 maturing within 30 calendar days as cash inflows.

5. Credit, counterparty and issuer risk

5.1 General information

Credit, counterparty and issuer risk concerns the risk of losses should a counterparty fail to honour its contractual obligations. In the case of Vontobel, it comprises default risks associated with:

- lending against collateral ("lombard lending") and loans secured by real estate
- bond positions (issuer risk)
- money market investments
- securities lending and borrowing, repo transactions, collateral management and derivatives.

In principle, Vontobel does not engage in commercial lending. Mortgages and lombard loans are offered to our clients and employees.

5.2 Lending to private and institutional investment clients

A precondition for lending, credit lines are set. An exposure must essentially be covered by the deposited collaterals. For the lombard lending business, i.e. the granting of loans subject to the provision of securities that serve as marketable collateral, the lending value of positions and portfolios is generally determined in accordance with the "comprehensive approach" prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The quality of the collateral (volatility, rating, liquidity and tradability) and the diversification of the portfolio and currency risks are considered in the calculations. Exposures to clients that are covered by collateral not recognized by the regulator are only entered into in exceptional situations.

In cases where the exposures are covered by market values but not by lending values, a risk alert process is initiated with the aim of restoring coverage through the reduction of the exposures, portfolio switches or the provision of additional collateral.

As of December 31, 2023, the credit exposure to private clients and institutional clients amounted to CHF 6,474.9 million (December 31, 2022: CHF 7,638.7 million). Of this sum, CHF 1,800.1 million (December 31, 2022: CHF 1,780.7 million) was covered by real estates, CHF 4,421.9 million (December 31, 2022: CHF 5,621.0 million) by other collateral recognized by the regulator and CHF 252.9 million (December 31, 2022: CHF 237.0 million) by financial collateral not recognized by the regulator.

Credit exposure to private and institutional investment clients

CHF M	COVERED BY COLLATERAL RECOGNIZED BY THE REGULATOR	COVERED BY COLLATERAL NOT RECOGNIZED BY THE REGULATOR	31.12.2023 TOTAL	COVERED BY COLLATERAL RECOGNIZED BY THE REGULATOR	COVERED BY COLLATERAL NOT RECOGNIZED BY THE REGULATOR	31.12.2022 TOTAL
Credit exposure	6,222.0	252.9	6,474.9	7,401.7	237.0	7,638.7

5.3 Exposures to professional counterparties and issuer risk

Vontobel has both secured and unsecured exposures to professional counterparties.

Secured exposures result from securities lending and borrowing, repo transactions, the collateral management of margin obligations and margin calls, as well as the collateralization of OTC derivatives that are eligible for netting. The mitigation of credit risks using securities as easily realizable liquid collateral is of key importance for these types of transactions. The transactions are generally concluded on the basis of collateralized netting agreements with strict requirements regarding eligible collateral, appropriate contractual lending values and low contractual thresholds and minimum transfer amounts. The daily calculation and comparison of credit exposures and collateral is a core element of the management and monitoring of credit risks. During this process, conservative add-on factors are applied to the credit exposures and conservative haircuts are applied to the collateral in accordance with the new standard approach SA-CCR prescribed in the capital adequacy requirements of the Basel Committee on Banking Supervision (Basel III). The different add-ons and haircuts are determined according to the instrument, rating, term to maturity, liquidity and tradability.

Unsecured exposures mainly comprise the issuer risks in bond portfolios held in Structured Products or for the purpose of balance sheet management. They also include exposures relating to money market transactions, accounts, guarantees and contractual independent amounts (threshold values and minimum transfer amounts) that are agreed with counterparties in netting agreements for securities lending and borrowing, repurchase agreements and the collateralization of OTC derivatives.

Settlement risks are reduced through the use of the Continuous Linked Settlement (CLS) system when conducting foreign currency transactions. Vontobel is connected to the CLS system as a third party.

All exposures to professional counterparties and issuers are monitored and controlled using a differentiated system of limits – which is defined in the Credit Regulations and is reviewed annually – for the individual counterparties, rating segments, countries and regions.

Vontobel bases the management and limitation of exposures to professional counterparties on external assessments by Independent Credit View AG as well as on the ratings of external agencies recognized by FINMA. It uses the ratings of Fitch, Moody's, S&P and Fedafin (public sector bodies only). If various ratings exist for a specific position, the relevant rating is assigned according to the rules prescribed by the Basel Committee on Banking Supervision.

The requirements regarding counterparty creditworthiness are very high for unsecured credit risks as well as issuer risks. The breakdown of unsecured counterparty and issuer risks by rating category is shown in the following table and graph. This and the following tables only contain information on current unsecured exposures without potential exposures relating to collateralized positions. The figures including the application of add-ons or haircuts in accordance with capital regulations are presented in the tables in the section on capital.

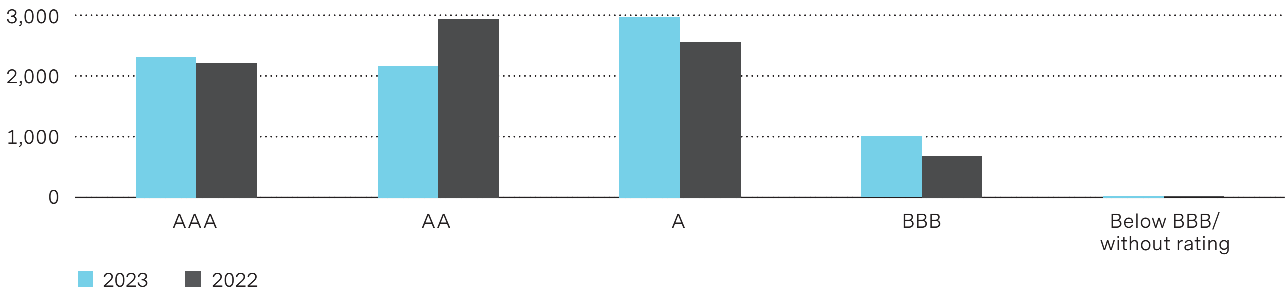
Breakdown of unsecured counterparty and issuer risks by rating[1]

CHF M	AAA	AA	A	BBB	BELOW BBB/ WITHOUT RATING	31.12.2023 TOTAL
Issuer risk from debt instruments[2]	2,186.0	2,100.2	2,778.7	1,000.5	5.0	8,070.4
Money market and accounts[3]	109.3	47.4	134.7	2.3	14.2	307.9
Other financial receivables[4]	10.9	13.1	50.7	0.7	0.5	75.9
Total	**2,306.2**	**2,160.7**	**2,964.1**	**1,003.5**	**19.7**	**8,454.2**
Share (%)	27.3	25.6	35.1	11.9	0.2	100.0

CHF M	AAA	AA	A	BBB	BELOW BBB/ WITHOUT RATING	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	2,061.1	2,867.2	2,408.2	684.1	7.3	8,027.9
Money market and accounts[3]	123.6	42.5	94.3	1.1	5.2	266.7
Other financial receivables[4]	24.5	20.5	53.0	1.3	3.8	103.1
Total	**2,209.2**	**2,930.2**	**2,555.5**	**686.5**	**16.3**	**8,397.7**
Share (%)	26.3	34.9	30.4	8.2	0.2	100.0

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Excludes SNB Bills of CHF 2,672.3 M as of 31.12.2023. Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 19.2 M as of 31.12.2023 or CHF 60.9 M as of 31.12.2022
3 Excludes cash account of CHF 3,400.5 M as of 31.12.2023 or CHF 3,711.9 M as of 31.12.2022 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

Breakdown of unsecured credit risks by rating
CHF M



The exposures mainly relate to the rating categories "AAA" and "AA", as shown in the previous table and graph: As of December 31, 2023, 53 percent (December 31, 2022: 61 percent of the exposures comprised these categories of high creditworthiness. 88 percent of the exposures comprised a rating of "A" or above (December 31, 2022: 92 percent). The proportion of exposures with a rating of less than "BBB" or with no rating was less than 1 percent (December 31, 2022: 1 percent). The breakdown of unsecured exposures by counterparty types and by geographical region is shown in the following tables.

Breakdown of unsecured counterparty and issuer risks by counterparty type[1]

CHF M	BANKS	OTHER CORPORATIONS/ INSTITUTIONS WITHOUT BANK STATUS	GOVERNMENTS/ PUBLIC SECTOR BODIES	31.12.2023 TOTAL
Issuer risk from debt instruments[2]	2,995.4	2,336.0	2,739.0	8,070.4
Money market and accounts[3]	174.5	21.0	112.4	307.9
Other financial receivables[4]	70.8	5.1	0.0	75.9
Total	**3,240.7**	**2,362.1**	**2,851.4**	**8,454.2**

CHF M	BANKS	OTHER CORPORATIONS/ INSTITUTIONS WITHOUT BANK STATUS	GOVERNMENTS/ PUBLIC SECTOR BODIES	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	2,470.0	2,266.5	3,291.4	8,027.9
Money market and accounts[3]	113.0	27.0	126.7	266.7
Other financial receivables[4]	93.7	6.8	2.6	103.1
Total	**2,676.7**	**2,300.3**	**3,420.7**	**8,397.7**

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Excludes SNB Bills of CHF 2,672.3 M as of 31.12.2023. Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 19.2 M as of 31.12.2023 or CHF 60.9 M as of 31.12.2022
3 Excludes cash account of CHF 3,400.5 M as of 31.12.2023 or CHF 3,711.9 M as of 31.12.2022 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

In terms of the counterparty type, a large proportion of unsecured counterparty and issuer risks relates to governments and banks, as expected. As of December 31, 2023, governments, including public sector bodies, accounted for CHF 2,851.4 million (December 31, 2022: CHF 3,420.7 million) of a total of CHF 8,454.2 million (December 31, 2022: CHF 8,397.7 million) or 34 percent (December 31, 2022: 41 percent). Banks accounted for CHF 3,240.7 million (December 31, 2022 CHF 2,676.7 million) of a total of CHF 8,454.2 million (December 31, 2022: CHF 8,397.7 million) or 38 percent (December 31, 2022: 32 percent). When setting limits, considerable importance is assigned to the avoidance of concentration risks relating to individual counterparties, thus ensuring that exposures within counterparty categories are broadly diversified.

Breakdown of unsecured counterparty and issuer risks by region[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2023 TOTAL
Issuer risk from debt instruments[2]	2,043.1	2,415.0	1,888.3	1,656.4	67.7	8,070.5
Money market and accounts[3]	23.7	273.5	6.7	3.5	0.4	307.8
Other financial receivables[4]	51.3	16.4	8.0	0.2		75.9
Total	**2,118.1**	**2,704.9**	**1,903.0**	**1,660.1**	**68.1**	**8,454.2**

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2022 TOTAL
Issuer risk from debt instruments[2]	1,474.7	2,852.5	1,978.0	1,613.8	108.9	8,027.9
Money market and accounts[3]	31.1	221.0	11.3	3.2	0.1	266.7
Other financial receivables[4]	65.4	9.9	27.8	0.0		103.1
Total	**1,571.2**	**3,083.4**	**2,017.1**	**1,617.0**	**109.0**	**8,397.7**

1 Unsecured credit exposure after contractual netting without the application of add-ons on derivatives and haircuts on other financial securities
2 Excludes SNB Bills of CHF 2,672.3 M as of 31.12.2023. Includes positions in credit default swaps (synthetic bond positions) in the amount of CHF 19.2 M as of 31.12.2023 or CHF 60.9 M as of 31.12.2022
3 Excludes cash account of CHF 3,400.5 M as of 31.12.2023 or CHF 3,711.9 M as of 31.12.2022 deposited at the SNB.
4 Securities lending and borrowing, repo transactions, collateral management, derivatives, guarantees and pledged capital life insurance policies

In geographical terms, the unsecured counterparty and issuer risks mainly relate to the regions of Europe, North America and Asia.

6. Operational risks

6.1 General information

Operational risk is the risk of losses occurring due to the inadequacy or failure of internal processes, people, and systems or as a result of external events.

6.2 Processes and methods

All business activities entail operational risks, which are prevented, mitigated, transferred or assumed based on cost / benefit considerations. During this process, potential legal, regulatory, and compliance-related risks are considered, as are risks derived from them, such as reputational risks.

The Group-wide Governance, Risk and Compliance (GRC) Platform serves as the basis for the management of operational risks. During the annual Risk & Controls Self-Assessment (RCSA), the key operational risks in the bank's processes are identified and evaluated to ensure a robust control environment. In addition, an indepth analysis of core security topics such as information and data protection and Business Continuity Management (BCM) including their functionalities, is carried out. The RCSA process was optimised and follows now a more instinctive and efficient process and risk and control evaluation.

6.2.1 Qualitative assessment

The qualitative assessment of operational risks is carried out using estimates of the loss potential and probability of occurrence of these risks. The inherent risks are determined and compared with existing controls and risk-mitig ating measures to identify residual risks. These residual risks are evaluated to determine compliance with pre-defined risk tolerances. In case of breach of these risk tolerances further risk-mitigating measures are defined and introduced.

6.2.2 Quantitative assessment

In addition to qualitative assessments, quantitative methods are used to measure and monitor operational risks. Amongst other things they include monitoring of the so-called Key Risk Indicators (KRIs), their applicable adjustments or relevant development for all Client Units (CUs) and Centres of Excellence (CoE). The measured risks are then compared against the pre-defined risk tolerances and in case of breach further risk-mitigating measures will be defined and introduced where applicable. In addition, reports on the KRIs are regularly submitted to the Heads of Finance, Risk, Legal & Compliance and Internal Audit.

6.2.3 Internal Control System

Processes, tools, reports and methodologies which seek to control operational risks form part of the Internal Control System (ICS). The ICS provides the framework required to ensure that strategic objectives are achieved in an orderly and controlled fashion in all areas of the organization. The ICS is reviewed regularly and is adapted or strengthened if necessary.

6.3 Legal, regulatory and compliance-related risks

As a market participant in the financial services industry, Vontobel is subject to extensive regulations and requirements defined by government bodies, regulatory authorities and self-regulatory organizations in Switzerland and other countries in which Vontobel operates.

Legal and compliance-related risks are the risk of losses occurring due to non-compliance with or the infringement of applicable laws, internal or external codes of conduct and market practices, as well as contractual obligations. Such issues may not only lead to financial losses but can also result in regulators imposing fines or measures on the organization or can lead to reputational harm. Regulatory risk is the risk that changes to laws and rules of conduct could adversely impact Vontobel's activities.

To prevent or mitigate legal, regulatory and compliance-related risks, Vontobel has implemented structures and processes that are designed to create and raise employee awareness of these risks and to provide relevant training and information to all employees. In addition, Vontobel has an appropriate system of policies and effective control processes in place to ensure compliance with legal and regulatory requirements and existing framework conditions. The corresponding compliance standards are regularly reviewed and adapted in line with regulatory and legal developments where required.

6.4 Technology and cyber risks

Due to its current business model, Vontobel operates in a complex technological and digitized environment. The protection of confidentiality, integrity and the availability of IT systems are of critical importance for all operations.

Technology risks form part of operational risks and consist of risks resulting from technical failures that could affect business activities. These risks are not only inherent in the existing IT infrastructure but may also affect the employees and processes that interact with it. It is essential that the data used to support centralised business processes and the associated reporting is secure, complete, accurate, and up to date, and that it meets appropriate quality standards.

In addition, critical IT systems must be secure and resilient and have the necessary ability, capacity, and adaptability to meet current and future business objectives and client needs, and to comply with regulatory and legal requirements.

Cyber risk is an integral part of technology risk and involves cases where the functioning of systems is compromised because of cyber-attacks, security breaches, unauthorized access, loss or destruction of data, unavailability of services, computer viruses or other security-related events.

To prevent and manage technology and cyber risks, various tools are used as part of a comprehensive technology risk management approach, both at operational level and in terms of business continuity and other crisis and emergency plans. The Technology Risk Management function is integrated within Group-wide Risk Management.

6.5 Insurance

Vontobel's insurance policy is aligned with the Group's operational risk management and financial risks.

In the first instance, Vontobel strives to prevent or mitigate risks as far as possible in accordance with the Group's risk policy. In a second step, it determines whether Vontobel can and should bear the risks itself. If this is not the case, the risks are covered by insurance policies. In particular, risks of a catastrophic nature are insured in order to protect the Group's capital base.

The internal Insurance unit continuously analyses and evaluates the need for insurance measures on an ongoing basis.

Various other factors are considered when purchasing insurance. They mainly comprise compulsory insurance cover to meet legal requirements. However, a series of other business considerations can lead to a wide range of risks for which Vontobel also purchases insurance cover.

7. Reputational risks

Reputational risk is understood as risks that could cause sustained harm to Vontobel’s image and reputation based on occurred events. As such, reputational risks often constitute subsequent risks to the other risk categories described above.

Vontobel’s ability to conduct its business depends to a significant extent on its reputation, which has been built over the bank’s long history. It is therefore of key importance for Vontobel to safeguard its good name and all employees assign the highest priority to this matter. Consequently, appropriate measures are taken on an ongoing basis to make employees aware of the key importance of Vontobel’s reputation.

Capital

The capital base serves primarily as a means of covering inherent business risks. The active management of the volume and structure of capital is therefore of key importance. The monitoring and management of capital adequacy is performed primarily on the basis of the regulations and ratios defined by the Basel Committee on Banking Supervision, as well as other criteria. Compliance with the statutory capital adequacy requirements prescribed by Switzerland and the Swiss Financial Market Supervisory Authority (FINMA) is mandatory. External capital adequacy requirements were met in the current reporting period and in previous years without exception.

1. Capital management

Capital management is aimed primarily at supporting growth and creating added value for shareholders while complying with regulatory capital requirements. A solid capital position and structure also enable Vontobel to demonstrate its financial strength and creditworthiness to its business partners and clients.

Capital management is performed while taking account of the economic environment and the risk profile of all business activities. Various control options are available to maintain the target level of capital and the desired capital structure or to adapt them in line with changing requirements. These options include flexible dividend payments, the repayment of capital or the procurement of various forms of regulatory capital. During the year under review, there were no significant changes to the objectives, principles of action or processes compared to the previous year.

2. Regulatory requirements

The capital requirements (Basel III) entered into force on January 1, 2013. They are described in detail in the Swiss Capital Adequacy Ordinance (CAO) and the FINMA Circulars that it refers to.

To determine net eligible common equity tier 1 capital under Basel III, additional deductions are made from capital calculated in accordance with IFRS. Goodwill, financial investments and intangible assets are most relevant for Vontobel in this context.

Banks can use a number of different approaches to calculate their capital adequacy requirements according to Basel III. Vontobel applies the International Standardized Approach (SA-BIS) for credit risks, the standardized approach for market risks and the basic indicator approach for operational risks. As part of the reduction of credit risks (risk mitigation), the comprehensive approach with standard haircuts defined by the supervisory authorities is applied for the recognition of collateral.

As a result of the recognition of the fair value option by FINMA in accordance with section XV. of the FINMA Circular 13/01 (Eligible equity capital – banks), unrealized gains and losses are included in the calculation of tier 1 capital. This excludes the valuation adjustments of own liabilities recorded in accordance with IFRS rules due to a change in own creditworthiness. As a result, tier 1 capital totaled CHF 1,552.3 million and the BIS tier 1 ratio was 23.8 percent as of December 31, 2023. The BIS tier 1 ratio thus substantially exceeds the minimum capital ratio.

The scope of consolidation used for the calculation of capital was the same in the current reporting period and the previous year as the scope of consolidation used for accounting purposes. Please refer to the tables “Major subsidiaries and participations” and “Changes in the scope of consolidation” in the Notes to the consolidated financial statements for further details. With the exception of the statutory regulations, no restrictions apply that prevent the transfer of money or capital within the Group.

Eligible and required capital

CHF M	31.12.2023	31.12.2022
Eligible capital		
Equity according to balance sheet	2,092.4	2,018.6
Paid-in capital	*56.9*	*56.9*
Disclosed reserves	*1,914.3*	*1,845.6*
Net profit for the current financial year	*214.7*	*229.8*
Deduction for treasury shares	*–93.6*	*–113.7*
Deduction for minority interests		
Deduction for dividends, as proposed by the Board of Directors	–170.6	–170.6
Deduction for goodwill	–526.4	–528.5
Deduction for intangible assets	–87.2	–101.1
Deduction for deferred tax assets	–12.0	–14.9
Deduction (addition) for gains (losses) due to changes in own credit risk	2.7	–2.6
Deduction for unrealised gains related to financial investments	–57.8	–73.2
Deduction for defined benefit pension fund assets (IAS 19)	–21.0	–8.8
Other adjustments		–66.2
Net eligible BIS common equity tier 1 capital (CET1)	**1,220.1**	**1,052.7**
Additional tier 1 capital (AT1)	332.2	449.6
Net eligible BIS tier 1 capital	**1,552.3**	**1,502.3**
Supplementary capital (tier 2)		
Other deductions from total capital		
Net eligible regulatory capital (BIS tier 1+2)	**1,552.3**	**1,502.3**
Risk-weighted positions		
Credit risks	2,344.5	2,058.3
Receivables	*2,246.8*	*1,951.8*
Price risk relating to equity instruments in the banking book	*97.6*	*106.5*
Non-counterparty related risks	366.3	383.9
Market risks	1,245.6	1,280.0
Interest rates	*758.6*	*651.8*
Equities	*362.7*	*499.2*
Currencies	*40.1*	*44.6*
Gold	*0.6*	*1.2*
Commodities	*83.7*	*83.2*
Operational risk	2,567.6	2,581.8
Total risk-weighted positions	**6,523.9**	**6,304.1**

Capital ratios in accordance with FINMA Circular 16/01

(AS A PERCENTAGE OF RISK-WEIGHTED POSITIONS)	31.12.2023	31.12.2022
CET1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 4.5%)[1]	18.7	16.7
Tier 1 capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 6.0%)[2]	23.8	23.8
Total capital ratio (minimum requirement BIS Basel III excl. capital conservation buffer: 8.0%)[3]	23.8	23.8
CET1 available to cover BCBS minimum capital and buffer requirements after deduction of AT1 and T2 capital requirements which are filled by CET1	14.2	12.2
CET1 available	18.7	16.7
T1 available	21.4	21.4
Eligible regulatory capital available	23.8	23.8

1 Target CET1 capital ratio according to Annex 8 CAO plus countercyclical buffer: 8.0%
2 Target tier 1 capital ratio according to Annex 8 CAO plus countercyclical buffer: 9.8%
3 Target total capital ratio according to Annex 8 CAO plus countercyclical buffer: 12.2%

The countercyclical buffer requirement (as a percentage of risk-weighted positions) is 0.2 (31.12.2022: 0.2).

All investments in the financial sector (<10%) are risk-weighted for CAD calculations (31.12.2023: CHF 27.1 M/31.12.2022: CHF 27.2 M).

Leverage ratio in accordance with FINMA Circular 15/03

	31.12.2023	31.12.2022
Net eligible BIS tier 1 capital in CHF M	1,552.3	1,502.3
Total leverage ratio exposure in CHF M	28,931.9	30,025.8
Leverage ratio (unweighted capital ratio in accordance with Basel III) in %	5.4	5.0

Vontobel publishes further information in accordance with FINMA Circular 16/01 in a separate disclosure report on www.vontobel.com (Investor Relations).

Notes to the consolidated income statement

1 Net interest and dividend income

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Interest income from banks and customers	231.2	94.7	136.4	144
Interest income from receivables from securities financing transactions	11.0	8.8	2.2	25
Interest income from financial liabilities	0.5	3.9	–3.4	–87
Total interest income from financial instruments at amortized cost	**242.6**	**107.4**	**135.2**	**126**
Dividend income from equity instruments in financial investments[1]	3.5	2.4	1.1	46
Interest income from debt instruments in financial investments	16.9	16.7	0.2	1
Total interest and dividend income from financial investments	**20.4**	**19.1**	**1.3**	**7**
Total interest and dividend income	**263.0**	**126.6**	**136.5**	**108**
Interest expense from payables from securities financing transactions	1.2	2.4	–1.3	–54
Interest expense from other financial liabilities at amortized cost	82.4	18.7	63.7	341
Interest expense from financial assets	0.0	1.0	–1.0	–100
Total interest expense from financial instruments at amortized cost	**83.6**	**22.2**	**61.4**	**277**
Credit loss (expense) / recovery on debt instruments in financial investments	0.1	0.1	0.0	0
Other credit loss (expense) / recovery	–0.1	–3.0	3.0	100
Total credit loss (expense) / recovery	**–0.0**	**–3.0**	**3.0**	**100**
Total	**179.5**	**101.4**	**78.0**	**77**

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

2 Net fee and commission income

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Brokerage fees	71.4	80.7	–9.2	–11
Administration and custody fees	196.3	208.6	–12.3	–6
Advisory and management fees	781.6	868.3	–86.7	–10
Issues and corporate finance	3.0	3.5	–0.4	–11
Other commission income from securities and investment transactions	29.7	25.7	4.0	16
Total fee and commission income from securities and investment transactions	**1,082.1**	**1,186.7**	**–104.6**	**–9**
Other fee and commission income	**17.1**	**4.3**	**12.9**	**300**
Brokerage fees	10.1	13.3	–3.2	–24
Other commission expense	301.9	343.9	–42.0	–12
Total fee and commission expense	**312.0**	**357.2**	**–45.2**	**–13**
Total	**787.3**	**833.8**	**–46.5**	**–6**

Vontobel offers its clients a broad range of services that represent its main earnings stream. Fee and commission income can be divided into two categories: Fees for services provided over time (e.g. portfolio management and investment advisory in the fund business and Wealth Management), which constitute by far the largest proportion of Vontobel's fee and commission income, and fees for services provided at a point in time (e.g. brokerage fees).

Fees for services provided over time are generally determined as a percentage of the average amount of relevant assets during the period when the service is rendered and recognized in profit or loss on a proportionate basis over the relevant period. They are invoiced to the client (e.g. private clients or investment funds) at least quarterly and charged to the relevant client assets. In the case of some services, additional performance-based fees may be incurred (e.g. performance fees in the fund business). They are recognized in profit or loss when it is highly probable that they will be collected, which is generally only the case once all performance criteria have been met. The measurement period for performance fees is usually a maximum of one year.

Fees for services provided at a point in time are generally determined as a percentage of the corresponding transaction volume. They are invoiced to the client after the service has been rendered and charged to the corresponding client assets. At the same time, they are recognized in profit or loss.

Based on the nature of Vontobel's commission business, as described above, the related claims, accruals and deferrals at the balance sheet date, and the corresponding impairment expense, are generally immaterial. The deferred commission income as at the balance sheet date is invoiced to the client in the following period. Subsequent changes to income are immaterial in Vontobel's fee and commission business.

3 Trading income

	2023	2022	CHANGE TO 2022	
	CHF M	CHF M	CHF M	IN %
Securities	641.4	–3,256.7	3,898.1	120
Other financial instruments at fair value	–367.2	3,556.6	–3,923.8	–110
Forex and precious metals	64.0	38.4	25.5	66
Total	**338.1**	**338.4**	**–0.2**	**–0**

The following table shows income for the period for financial instruments in the balance sheet position "Other financial liabilities at fair value" due to changes in own credit risk:

Income for the period

	2023	2022	CHANGE TO 2022	
	CHF M	CHF M	CHF M	IN %
Realized income	–0.4	–0.1	–0.3	–300
Unrealized income	–2.7	1.2	–3.9	–325
Total	**–3.1**	**1.2**	**–4.2**	**–350**

The following table shows cumulative income for financial instruments in the balance sheet position "Other financial liabilities at fair value" due to changes in own credit risk:

Cumulative income[1]

	31.12.2023	31.12.2022	CHANGE TO 31.12.2022	
	CHF M	CHF M	CHF M	IN %
Realized income	1.4	1.8	–0.4	–22
Unrealized income	–2.7	–0.1	–2.7	
Total	**–1.3**	**1.7**	**–3.1**	**–182**

1 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.

Cumulative unrealized or realized income due to a change in own credit risk corresponds to the difference between the credit risk premium at the balance sheet date or the product's redemption date and the credit risk premium at the time of issue reduced pro rata temporis. The credit risk premium corresponds to the difference between the fair value of the instrument and the value that would result without taking account of own credit risk.

Under IFRS 9, income from the change in own credit risk of financial liabilities for which the fair value option is applied is generally recognized in other comprehensive income. If this treatment would create or enlarge an accounting mismatch in profit or loss, however, the corresponding income should be shown in profit or loss. At Vontobel, the fair value option is applied exclusively to issued products (structured products and debt instruments). Issued products are shown in the balance sheet item "Other financial liabilities at fair value". The risks from issued products are hedged as part of the existing limits at portfolio level using bond positions, among others, which are shown in the balance sheet item "Other financial assets at fair value" (hedging positions). In terms of fluctuations in value due to changes in credit risk premiums, there is a close economic relationship between the assets and liabilities sides in two respects. On the one hand, the Vontobel credit risk premiums included in the issued products (liabilities side) and the issuer's credit risk premiums contained in the hedging positions (assets side) are subject to general market movements (increase or decrease in credit risk premiums). On the other hand, in view of the significant importance of the issuing business for Vontobel, the credit risk premiums on hedging positions observable in the market have an impact on Vontobel's credit risk premium. To assess whether income from the change in own credit risk ("Impact on the liabilities side") should be recognized in profit or loss or in other comprehensive income, Vontobel compared the income from changes in credit risk premiums on the assets side ("Impact on the assets side") with income from changes in credit risk premiums from the entire issuing business ("net impact" as the total from the impact on the assets side and the impact on the liabilities side) and determined that the impact on the liabilities side has a compensating effect on the impact on the assets side. In addition, the net impact is significantly less volatile than the impact on the assets side. If income from a change in own credit risk was recognized in other comprehensive income, net profit would be much more volatile and would therefore create or enlarge an accounting mismatch in profit or loss. For this reason, Vontobel has concluded that it is appropriate to recognize income from a change in own credit risk in profit or loss. As a result, income from issued products is recognized fully in profit or loss and is thus treated in the same way as the corresponding hedging positions.

4 Other income

		2023	2022	CHANGE TO 2022	
	NOTE	CHF M	CHF M	CHF M	IN %
Real estate income[1]		0.9	1.2	–0.3	–25
Income from the sale of property and equipment		–0.0	–0.0	0.0	
Income from the sale of debt instruments in financial investments		–4.5	–0.5	–4.0	–800
Income from investments in associates	14	–0.0	–0.5	0.5	100
Other income		3.3	11.3	–8.0	–71
Other expense		–0.0	–0.0	0.0	
Total		**–0.3**	**11.5**	**–11.8**	**–103**

1 Income from the subleasing of business premises

5 Personnel expense

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Salaries and bonuses[1]	564.1	528.4	35.7	7
Pension and other employee benefit plans	44.9	57.8	–12.9	–22
Other social contributions	44.3	42.7	1.7	4
Other personnel expense	31.6	27.0	4.6	17
Total	**685.0**	**655.9**	**29.1**	**4**

1 The item "Salaries and bonuses" includes the expense for share-based compensation of CHF 36.8 M, of which CHF 26.6 M relates to performance shares, CHF 5.8 M to the awarding of bonus shares at preferential terms and deferred compensation in shares of CHF 4.5 M (previous year: performance shares CHF 38.5 M, bonus shares CHF 4.7 M, deferred compensation in shares of CHF 4.5 M; total CHF 47.7 M) as well as deferred compensation in cash of CHF 8.2 M (previous year: CHF 5.8 M).

6 General expense

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Occupancy expense	13.4	11.7	1.6	14
IT, telecommunications and other equipment	121.8	119.4	2.4	2
Travel and representation, public relations, marketing	34.0	33.6	0.3	1
Consulting and audit fees	46.0	42.4	3.5	8
Provisions and losses	5.3	10.4	–5.1	–49
of which increase in provisions	*3.0*	*6.7*	*–3.7*	*–55*
of which release of provisions	*–0.3*	*–4.3*	*4.1*	*95*
of which other	*2.5*	*8.0*	*–5.5*	*–69*
Other general expense	30.5	41.0	–10.4	–25
Total	**250.9**	**258.6**	**–7.7**	**–3**

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

	NOTE	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Depreciation of property and equipment (incl. software)	15	91.8	91.4	0.4	0
Amortization of other intangible assets	17	14.0	11.8	2.2	19
Impairments of property and equipment (incl. software)	15	0.2	0.0	0.1	
Reversal of impairments of property and equipment (incl. software)	15				
Total		**106.0**	**103.3**	**2.7**	**3**

8 Taxes

Tax expense

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Statement of tax expense				
Explanation of the relationship between tax expense and net profit before taxes:				
Current income taxes	48.0	51.2	–3.1	–6
Deferred income taxes	–0.0	–13.7	13.6	99
Total	**48.0**	**37.5**	**10.5**	**28**
Profit before taxes	262.7	267.4	–4.7	–2
Expected income tax rate of 20%[1] (previous year: 20%)	52.5	53.5	–0.9	–2
Explanations for higher (lower) tax expense:				
Applicable tax rates differing from expected rate	–2.4	–5.0	2.6	52
Tax losses not taken into account	1.7	3.5	–1.8	–51
Appropriation of non-capitalized deferred taxes on loss carryforwards	–0.0	–0.0	–0.0	
Newly recognized deferred tax assets	–0.0	–0.8	0.8	100
Value adjustments on deferred tax positions	0.2	–0.6	0.8	133
Deferred income tax as a result of a change in tax rates		–0.0	0.0	
Other income with no impact on taxes	0.2	–0.1	0.3	300
Income tax unrelated to accounting period	0.9	–2.8	3.7	132
Participation relief granted on dividend income	–8.1	–6.5	–1.6	–25
Other impacts	3.0	–3.7	6.7	181
Total	**48.0**	**37.5**	**10.5**	**28**
Effective tax rate in %	18.3	14.0		

1 The anticipated income tax rate of 20% corresponds to the average tax rate in Switzerland.

Deferred taxes

	NOTE	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Value adjustments on credit risks		0.1	0.1	0.0	0
Lease liabilities		29.8	34.7	–4.9	–14
Tax loss carryforwards		4.5	5.5	–1.0	–18
Unrealized losses on financial investments		0.0	0.5	–0.5	–100
Other		7.7	9.3	–1.6	–17
Total deferred tax assets before offsetting		**42.1**	**50.0**	**–7.9**	**–16**
Offsetting		–30.1	–35.0	4.9	14
Total deferred tax assets	18	**12.0**	**14.9**	**–2.9**	**–19**
Equipment and software		30.4	35.7	–5.3	–15
Intangible assets		16.1	18.4	–2.3	–13
Investments in associates		0.7	0.7	0.0	0
Other provisions		19.3	19.3	0.0	0
Unrealized gains on financial investments		17.7	20.3	–2.6	–13
Other		4.6	2.5	2.1	84
Total deferred tax liabilities before offsetting		**88.9**	**96.9**	**–8.0**	**–8**
Offsetting		–30.1	–35.0	4.9	14
Total deferred tax liabilities	24	**58.8**	**61.8**	**–3.1**	**–5**

Changes in deferred taxes (net)

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	 IN %
Balance at the beginning of the year	47.0	59.8	–12.8	–21
Changes recognized in the income statement	–0.0	–12.0	12.0	100
Changes recognized in other comprehensive income	–0.6	–10.5	9.9	94
Changes from business combinations		9.5	–9.5	–100
Translation adjustments	0.5	0.3	0.3	100
Total as at the balance sheet date	**46.8**	**47.0**	**–0.2**	**–0**

Expiry of unrecognized tax loss carryforwards

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	 IN %
Within 1 year	23.8		23.8	
From 1 to 5 years	2.9	3.4	–0.5	–15
From 5 to 10 years				
After 10 years				
No expiry	25.3	40.2	–14.9	–37
Total	**51.9**	**43.6**	**8.4**	**19**

In the case of deferred taxes, the level of recognized tax assets depends on assumptions regarding available future taxable profits that are eligible for offsetting. The determination of deferred tax assets is essentially based on budget figures and mid-term planning. If a company has posted a series of financial losses in the recent past, the deferred tax assets are only recognized to the extent that the company has sufficient taxable temporary differences or has other convincing evidence that sufficient taxable profits will be available in future periods. Recognized deferred tax assets for loss carryforwards eligible for offsetting amounted to CHF 4.5 M in the current year and CHF 5.5 M in the previous year. Unrecognized loss carryforwards in the amount of CHF 51.9 M (previous year: CHF 43.6 M) are subject to tax rates of 16 percent to 24 percent (previous year: 16 percent to 34 percent). If recognized in full, the deferred tax assets for loss carryforwards eligible for offsetting would total CHF 15.0 M (previous year: CHF 13.8 M).

Current income taxes are calculated on the basis of the applicable tax laws in individual countries and recognized as an expense in the period in which the related profits are made. Assets or liabilities from current income taxes are shown in the balance sheet items “Other assets” or “Other liabilities”, respectively.

Deferred tax assets or deferred tax liabilities correspond to the tax effects arising from temporary differences between the carrying amounts of assets and liabilities in Vontobel’s balance sheet and their corresponding tax values. Deferred tax assets and deferred tax liabilities are offset if they refer to income taxes levied by the same tax authority. Deferred tax assets and deferred tax liabilities (after offsetting) are shown in the balance sheet items “Other assets” or “Other liabilities”, respectively. Deferred tax assets arising from temporary differences and from loss carryforwards eligible for offsetting are capitalized if it is likely that sufficient taxable profits will be available against which those temporary differences or loss carry-forwards can be offset. Deferred tax assets and deferred tax liabilities are calculated at the tax rates expected to apply in the period in which the tax assets will be realized, or the tax liabilities settled.

Current and deferred taxes are credited or charged to other comprehensive income or shareholders’ equity if the taxes refer to items that are credited or charged to other comprehensive income or to shareholders’ equity in the same or a different period.

If there is uncertainty over a tax treatment, Vontobel assesses the probability that the tax authority will accept the treatment applied by Vontobel. It is assumed that the tax authority will examine any amounts reported to it and will have full knowledge of all relevant information when doing so. If the entity concludes that it is not probable that a particular tax treatment will be accepted by the tax authority, the entity has to use the most likely amount or the expected value to take account of the uncertainty over the tax treatment.

OECD global minimum tax rate

To address concerns about the uneven distribution of profits and the unequal tax contributions of large multinational entities, the Organisation for Economic Co-operation and Development (OECD)/G20 reached a political agreement on the introduction of a global minimum tax of 15 percent, which applies to multinational corporations with consolidated revenues of at least EUR 750 million. In December 2021, the OECD published Model Rules, followed by Commentary in March 2022, which the individual countries that signed the agreement are to use in order to amend their local tax laws. In October 2023, the OECD published a Pillar 2 Minimum Tax Implementation Handbook to supplement the Model Rules. The Handbook is targeted primarily at the financial authorities of the implementing states. We are continuing to analyze the requirements and their impacts on the Group and will closely monitor the progress of the legislative process in each country in which Vontobel operates.

As of December 31, 2023, the relevant legislation was not applicable in any of the countries where Vontobel operates, meaning that no current taxes were incurred in connection with the OECD global minimum tax in the financial year 2023.

At the date when the financial statements were authorized for issue, Switzerland and several countries in which Vontobel is represented through a subsidiary or branch have enacted or substantially enacted the respective changes to tax legislation. With effect from January 1, 2024, Vontobel therefore falls within the scope of the global minimum tax.

We conducted an analysis using 2023 financial information. In most countries where Vontobel is active and has its own local presence, the effective tax rate is over 15 percent. However, there is a limited number of countries where the effective tax rate is below 15 percent. The current status of the implementation process in Switzerland means that there is unlikely to be an increase in tax expense in 2024.

The United Arab Emirates has introduced corporation tax at a rate of 9 percent. This tax applies to Vontobel from January 1, 2024.

According to current estimates, Vontobel's effective tax rate will increase by around 2 percentage points in the financial year 2024 compared to the previous year due to the introduction of the corporation tax in the United Arab Emirates.

9 Earnings per share

	2023	2022	CHANGE TO 2022	IN %
Net profit (CHF M)[1]	214.7	229.8	–15.1	–7
Weighted average number of shares issued	56,875,000	56,875,000		
Less weighted average number of treasury shares	1,277,598	1,270,178	7,421	1
Weighted average number of shares outstanding (undiluted)	55,597,402	55,604,823	–7,421	–0
Dilution effect number of shares of employee share-based benefit programs	1,605,823	1,680,894	–75,071	–4
Dilution effect number of shares of options[2]				
Weighted average number of shares outstanding (diluted)	57,203,225	57,285,717	–82,492	–0
Basic earnings per share (CHF)	3.86	4.13	–0.27	–7
Diluted earnings per share (CHF)	3.75	4.01	–0.26	–6

1 Net profit attributable to the shareholders of Vontobel Holding AG constitutes the basis for the calculation of undiluted as well as diluted earnings per share.
2 Relates to the dilution effect from shares that will have to be issued if outstanding in-the-money options are exercised. Shares that will have to be issued if outstanding out-of-the-money options are exercised do not have any dilution effect in the financial year but could dilute future earnings per share. The potential dilution effect is insignificant.

Notes to the consolidated balance sheet

10 Classification of financial instruments

CHF M	FVTPL[1]	FVO[2]	FVOCI DEBT INSTRUMENTS[3]	FVOCI EQUITY INSTRUMENTS[3]	AMORTIZED COST	31.12.2023 TOTAL
Assets						
Cash					3,494.5	3,494.5
Due from banks[4]	4.1				1,812.3	1,816.4
Receivables from securities financing transactions					0.0	0.0
Loans[4]					6,312.0	6,312.0
Trading portfolio assets	4,577.4					4,577.4
Positive replacement values	317.7					317.7
Other financial assets at fair value	9,713.5					9,713.5
Financial investments			1,042.9	102.9		1,145.8
Other assets[5]	3.3				671.5	674.8
Total	**14,616.0**		**1,042.9**	**102.9**	**12,290.4**	**28,052.2**
Liabilities						
Due to banks[4]	53.7				1,221.9	1,275.7
Payables from securities financing transactions						
Customer deposits[4]	433.9				9,517.6	9,951.5
Trading portfolio liabilities	189.8					189.8
Negative replacement values	1,007.9					1,007.9
Other financial liabilities at fair value		12,180.1				12,180.1
Debt issued					646.7	646.7
Other liabilities[5]					1,513.4	1,513.4
Total	**1,685.3**	**12,180.1**			**12,899.6**	**26,765.1**

1 Fair value through profit or loss
2 Fair Value through profit or loss due to the application of the fair value option
3 Fair value through other comprehensive income
4 Receivables or liabilities in the form of previous metals are considered in FVTPL.
5 The item mainly includes the accrued interest as well as open settlement positions.

CHF M	FVTPL[1]	FVO[2]	FVOCI DEBT INSTRUMENTS[3]	FVOCI EQUITY INSTRUMENTS[3]	AMORTIZED COST	31.12.2022 TOTAL
Assets						
Cash					3,884.2	3,884.2
Due from banks[4]	3.4				1,571.6	1,575.1
Receivables from securities financing transactions					894.0	894.0
Loans[4]	0.0				7,462.3	7,462.3
Trading portfolio assets	4,651.7					4,651.7
Positive replacement values	439.4					439.4
Other financial assets at fair value	8,297.2					8,297.2
Financial investments			1,605.0	122.3		1,727.3
Other assets[5]	3.3				467.5	470.8
Total	**13,395.0**		**1,605.0**	**122.3**	**14,279.5**	**29,401.8**
Liabilities						
Due to banks[4]	60.8				1,079.7	1,140.5
Payables from securities financing transactions					92.5	92.5
Customer deposits[4]	489.8				12,751.0	13,240.9
Trading portfolio liabilities	170.4					170.4
Negative replacement values	1,191.0					1,191.0
Other financial liabilities at fair value		10,124.2				10,124.2
Debt issued					1,043.2	1,043.2
Other liabilities[5]					1,197.9	1,197.9
Total	**1,912.0**	**10,124.2**			**16,164.4**	**28,200.6**

1 Fair value through profit or loss
2 Fair Value through profit or loss due to the application of the fair value option
3 Fair value through other comprehensive income
4 Receivables or liabilities in the form of previous metals are considered in FVTPL.
5 The item mainly includes the accrued interest as well as open settlement positions.

11 Loans

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Mortgages[1]	1,788.2	1,747.0	41.2	2
Lombard loans and other accounts receivable[1]	4,558.1	5,750.7	–1,192.5	–21
Less expected credit losses	–34.3	–35.4	1.1	3
Total	**6,312.0**	**7,462.3**	**–1,150.2**	**–15**

1 Interest of CHF 8.9 M (previous year: CHF 6.3 M) on non-performing loans that had not yet been received was capitalized.

12 Financial instruments at fair value through profit or loss

Trading portfolio assets

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Debt instruments				
Listed	507.0	644.2	–137.2	–21
Unlisted	3.7	291.8	–288.1	–99
Total	**510.7**	**936.0**	**–425.3**	**–45**
Equity instruments				
Listed	2,463.3	2,444.7	18.5	1
Unlisted	0.0	0.5	–0.5	–100
Total	**2,463.3**	**2,445.3**	**18.0**	**1**
Units in investment funds				
Listed	368.3	300.0	68.3	23
Unlisted	0.0	0.0	0.0	
Total	**368.4**	**300.0**	**68.3**	**23**
Precious metals	**866.5**	**791.3**	**75.2**	**10**
Cryptocurrencies	**368.5**	**179.0**	**189.5**	**106**
Total	**4,577.4**	**4,651.7**	**–74.3**	**–2**

Trading portfolio liabilities

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Debt instruments				
Listed	107.6	85.8	21.8	25
Unlisted				
Total	**107.6**	**85.8**	**21.8**	**25**
Equity instruments				
Listed	81.7	81.8	–0.1	–0
Unlisted				
Total	**81.7**	**81.8**	**–0.1**	**–0**
Units in investment funds				
Listed	0.5	2.8	–2.3	–82
Unlisted				
Total	**0.5**	**2.8**	**–2.3**	**–82**
Total	**189.8**	**170.4**	**19.3**	**11**

Open derivative instruments

	31.12.2023			31.12.2022		
CHF M	POSITIVE REPLACEMENT VALUES[1]	NEGATIVE REPLACEMENT VALUES[1]	CONTRACT VOLUME	POSITIVE REPLACEMENT VALUES[1]	NEGATIVE REPLACEMENT VALUES[1]	CONTRACT VOLUME
Debt instruments						
Forward contracts incl. FRAs						
Swaps	53.9	29.6	7,941.1	97.5	20.9	6,006.4
Futures			9.3			8.9
Options (OTC) and warrants		1.7	1.0		2.8	0.1
Options (exchange traded)	0.0	0.5	16.1	0.0	0.3	16.1
Total	**53.9**	**31.8**	**7,967.5**	**97.5**	**24.0**	**6,031.6**
Foreign currency						
Forward contracts	31.6	33.2	1,774.6	81.8	63.0	5,320.1
Swaps	119.1	207.2	10,860.9	135.0	161.9	12,502.5
Futures			10.2			9.3
Options (OTC) and warrants	10.3	13.7	1,888.8	16.3	19.2	1,130.0
Options (exchange traded)				0.0	0.0	8.8
Total	**160.9**	**254.1**	**14,534.5**	**233.2**	**244.1**	**18,970.7**
Precious metals						
Forward contracts	0.6	0.6	67.4	0.5	0.8	28.0
Swaps	4.2	7.4	469.6	17.7	18.3	362.0
Futures			19.0			14.5
Options (OTC) and warrants	3.2	29.2	372.2	3.2	33.4	238.4
Options (exchange traded)		0.0	0.1		0.0	0.0
Total	**7.9**	**37.1**	**928.2**	**21.4**	**52.5**	**642.9**
Equities / indices						
Forward contracts						
Swaps	1.8	17.6	271.8	2.2	46.7	254.0
Futures			443.3			296.0
Options (OTC) and warrants	2.8	238.6	3,641.0	5.8	221.7	3,624.1
Options (exchange traded)	86.5	381.1	11,766.5	75.4	583.3	9,511.5
Total	**91.1**	**637.3**	**16,122.5**	**83.4**	**851.7**	**13,685.6**
Credit derivatives						
Credit default swaps	3.9	1.2	260.8	3.1	2.9	277.9
Total	**3.9**	**1.2**	**260.8**	**3.1**	**2.9**	**277.9**
Other (including cryptocurrencies)						
Forward contracts						
Futures			206.3			67.3
Options (OTC) and warrants	0.0	4.3	29.2	0.0	9.5	38.0
Options (exchange traded)	0.0	42.1	169.6	0.8	6.3	94.3
Total	**0.0**	**46.4**	**405.1**	**0.9**	**15.8**	**199.5**
Total	**317.7**	**1,007.9**	**40,218.7**	**439.4**	**1,191.0**	**39,808.3**

1 The positive and negative replacement values relate to trading instruments with the exception of the instruments referred to in note 31 “Hedge accounting”.

Other financial assets at fair value through profit or loss

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Debt instruments				
Listed	5,502.7	5,337.2	165.5	3
Unlisted	4,087.7	2,838.1	1,249.6	44
Total	**9,590.4**	**8,175.3**	**1,415.1**	**17**
Equity instruments				
Listed	0.0	0.0	–0.0	
Unlisted	0.0	0.2	–0.2	–100
Total	**0.0**	**0.2**	**–0.2**	**–100**
Units in investment funds				
Listed	0.0		0.0	
Unlisted	60.9	46.3	14.6	32
Total	**60.9**	**46.3**	**14.6**	**32**
Structured products	**62.1**	**75.4**	**–13.2**	**–18**
Total	**9,713.5**	**8,297.2**	**1,416.3**	**17**

Other financial liabilities at fair value through profit or loss

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Structured products				
Listed	2,171.1	2,114.8	56.2	3
Unlisted	7,359.3	6,696.7	662.6	10
Total	**9,530.4**	**8,811.6**	**718.8**	**8**
Debt instruments				
Listed				
Unlisted	2,649.7	1,312.7	1,337.0	102
Total	**2,649.7**	**1,312.7**	**1,337.0**	**102**
Total	**12,180.1**	**10,124.2**	**2,055.9**	**20**

For structured products, the difference between the redemption amount and the carrying amount cannot be determined since the redemption amount depends on changes in the market prices of the underlyings (e.g. shares, precious metals and currencies) up to the repayment date. In the case of debt instruments, the difference between the redemption amount and the carrying amount is insignificant.

13 Financial investments

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Debt instruments[1, 3]				
Listed	989.8	1,548.6	–558.8	–36
Unlisted	53.1	56.3	–3.2	–6
Total	**1,042.9**	**1,605.0**	**–562.1**	**–35**
Equity instruments[2, 3]				
Listed		0.3	–0.3	–100
Unlisted	102.9	122.1	–19.2	–16
Total	**102.9**	**122.3**	**–19.4**	**–16**
Total financial investments	**1,145.8**	**1,727.3**	**–581.5**	**–34**

1 For information on expected credit losses on debt instruments, please refer to note 28 “Credit risks and expected credit losses”.
2 Participation in SIX Group AG: CHF 80.3 M (previous year: CHF 102.3 M); other participations: CHF 22.6 M (previous year: CHF 20.0 M)
3 Unrealized income from debt instruments is reported in the balance sheet item “Other components of shareholders’ equity” and totaled CHF –34.8 M (CHF –73.5 M) as of 31.12.2023 (31.12.2022). Unrealized income from equity instruments is recorded in the balance sheet item “Retained earnings” and totaled CHF 57.2 M (CHF 72.9 M) as of 31.12.2023 (31.12.2022).

14 Investments in associates[1]

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Balance at the beginning of the year	3.7	5.3	–1.6	–30
Increases				
Decreases	0.2	0.4	–0.2	–50
Share of profit	0.9	0.7	0.2	29
Share of other comprehensive income				
Impairments	–1.0	–1.6	0.5	31
Dividends paid	–1.0	–1.2	0.2	17
Translation differences	–0.1	0.0	–0.1	
Total as at the balance sheet date	**2.7**	**3.7**	**–1.0**	**–27**

1 Refer to page 245 for details of associates.

15 Property, equipment and software

CHF M	RIGHT-OF-USE ASSETS	LEASEHOLD IMPROVEMENTS	HARDWARE	OTHER FIXED ASSETS	SOFTWARE[1]	TOTAL
Acquisition cost						
Balance as of 01.01.2022	271.9	86.8	26.5	6.9	215.9	608.1
Additions	32.9	6.4	5.1	0.5	54.0	98.9
Disposals	–1.3	–5.6	–4.5	–0.8	–38.8	–51.0
Change in scope of consolidation				0.2		0.2
Reclassification						
Translation differences	–1.2	–0.2	0.1	–0.1	–0.1	–1.6
Balance as of 31.12.2022	302.2	87.4	27.2	6.8	231.0	654.7
Additions	12.9	3.3	2.4	3.4	54.3	76.3
Disposals	–10.6	–8.5	–4.3	–0.7	–52.4	–76.4
Change in scope of consolidation						
Reclassification	0.1	–0.1		0.0		
Translation differences	–2.5	–0.7	–0.3	–0.3	–0.2	–3.9
Balance as of 31.12.2023	**302.2**	**81.4**	**25.0**	**9.3**	**232.7**	**650.6**
Cumulative depreciation						
Balance as of 01.01.2022	–88.6	–51.8	–15.1	–4.0	–71.3	–230.8
Depreciation	–31.5	–10.2	–6.6	–0.4	–42.8	–91.4
Impairment losses					–0.0	–0.0
Reversals						
Disposals	1.3	5.6	4.5	0.7	38.8	50.9
Change in scope of consolidation				–0.1		–0.1
Reclassification						
Translation differences	0.6	0.1	–0.1	0.0	0.1	0.7
Balance as of 31.12.2022	–118.3	–56.4	–17.3	–3.7	–75.2	–270.7
Depreciation	–32.4	–9.3	–5.9	–0.3	–44.0	–91.8
Impairment losses	–0.0	–0.1			–0.1	–0.2
Reversals						
Disposals	9.9	8.5	4.3	0.6	52.5	75.8
Change in scope of consolidation						
Reclassification	–0.1	0.1				
Translation differences	1.5	0.5	0.3	0.2	0.2	2.7
Balance as of 31.12.2023	**–139.3**	**–56.6**	**–18.6**	**–3.2**	**–66.6**	**–284.3**
Net carrying values 31.12.2022	184.0	31.1	9.9	3.0	156.0	383.9
Net carrying values 31.12.2023	**162.9**	**24.8**	**6.4**	**6.1**	**166.1**	**366.3**

1 In the current reporting period and in the previous year, this relates exclusively to purchased software.

Property, equipment and software include right-of-use assets (see note 16 “Leasing”), leasehold improvements, hardware, other fixed assets (e.g. furniture) and software. The acquisition or production costs of property, equipment and software are capitalized if Vontobel will obtain future economic benefits from them and the costs can be both identified and reliably determined. From the date on which they become available, these assets are depreciated on a straight-line basis over their estimated useful life or rental lease term, as follows:

IN YEARS	
Right-of-use assets	Lease term
Leasehold improvements	Lease term, max. 10
Hardware	3
Other fixed assets	3–5
Software	max. 10

Property, equipment and software are tested for impairment if events or circumstances indicate that the carrying amount may be impaired. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded. Any reversals of impairments at a later date are recognized in the income statement.

16 Leasing

Vontobel as a lessee

Vontobel mainly acts as a lessee in the context of the leasing of business premises (including parking spaces). At the lease commencement date, a lease liability corresponding to the present value of lease payments over the lease term is recognized. The lease payments are usually index linked and, under certain conditions, are adjusted to the respective index level automatically, or periodically at the initiative of a contracting party. Apart from this indexation, there are no variable lease payments. Vontobel has concluded several lease agreements with options to extend the lease and/or terminate the lease. These options or rights were negotiated by Vontobel to ensure flexibility when managing the portfolio of leased assets and to meet its business needs. The lease term basically corresponds to the non-cancellable period during which Vontobel has the right to use the business premises but it also takes account of the period covered by an option to extend the lease if Vontobel is reasonably certain to exercise that option, and the period covered by an option to terminate the lease if Vontobel is reasonably certain not to exercise that option. Vontobel's incremental borrowing rate is applied when calculating the present value of lease payments. It corresponds to the interest rate that Vontobel would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset. At the same time as the lease liability is recognized, a right to use the underlying asset, which corresponds to the lease liability plus prepaid lease payments, directly attributable costs and any reinstatement obligations, is capitalised.

After initial recognition, the interest component on the lease liability is accrued in the period in which it is incurred using the effective interest method and is recognized in "Net interest and dividend income". Negative interest is shown as interest income. The lease liability is adjusted to reflect interest recognized and lease payments made. The right-of-use asset is depreciated on a straight-line basis over the lease term. The depreciation charge and any impairment charge are recognized in the income statement in "Depreciation of property, equipment (incl. software) and intangible assets".

If there is any change to the lease term or if lease payments are adjusted to an index, the lease liability is remeasured. In the first case, the current incremental borrowing rate is used to calculate the present value; in the second case, the original incremental borrowing rate is used. The amount of the remeasurement of the lease liability is recognized as an adjustment to the right-of-use asset.

Right-of-use assets (leased office space) are recognized in the balance sheet item "Property, equipment and software". The carrying amount of the right-of-use assets and changes in that value are shown in note 15.

Lease liabilities related to leased office space are recognized in the balance sheet item "Other liabilities". The carrying amount of the lease liabilities and changes in that value can be seen from the following table:

Lease liabilities

	2023	2022	CHANGE TO 2022	
	CHF M	CHF M	CHF M	IN %
Balance at the beginning of the year	181.0	179.9	1.1	1
Additions	12.5	32.6	–20.1	–62
Disposals	–0.6	0.0	–0.6	
Interest expense (+) / interest income (–)	–0.2	–0.4	0.2	50
Lease payments	–32.1	–30.6	–1.5	–5
Translation adjustments	–0.7	–0.6	–0.1	–17
Total as at the balance sheet date	**160.0**	**181.0**	**–21.0**	**–12**

The lease payments included in the above lease liabilities have the following terms:

Due dates of lease payments

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Due within 1 year	30.0	31.9	–1.9	–6
Due within 1 to 2 years	28.0	27.9	0.2	1
Due within 2 to 3 years	27.0	25.6	1.4	5
Due within 3 to 4 years	18.9	24.8	–5.9	–24
Due within 4 to 5 years	17.0	17.0	–0.0	0
Due within 5 to 7 years	21.8	26.7	–4.9	–18
Due in more than 7 years	16.7	26.0	–9.3	–36
Total as at the balance sheet date	**159.4**	**179.8**	**–20.5**	**–11**

Vontobel applies the recognition exemption for short-term leases and leases of low-value assets. Neither a lease liability nor a right-of-use asset is recognized for these leases. In the current reporting period, general expense included a charge of CHF 1,4 million (previous year: CHF 1.8 million) for short-term leases and of CHF 0.4 million (previous year: CHF 0.4 million) for leases of low-value assets.

Vontobel as a lessor

Vontobel currently acts as a lessor exclusively in the context of operating leases. The corresponding income is recognized in the income statement positions “Net fee and commission income” (leasing of safety deposit boxes) and “Other income” (subleasing of office space and parking spaces) in the period in which it is generated. Vontobel, as lessor, generated income of CHF 1.2 million in the current reporting period (previous year: CHF 1.5 million).

17 Goodwill and other intangible assets

Goodwill and other intangible assets

CHF M	GOODWILL	CLIENT RELATIONSSHIPS	COOPERATION AGREEMENTS	TOTAL
Acquisition cost				
Balance as of 01.01.2022	484.8	74.3	28.9	588.0
Additions				
Disposals		–0.5	–0.4	–0.9
Change in scope of consolidation	50.0	37.3	13.4	100.7
Reclassification				
Translation differences	–6.3			–6.3
Balance as of 31.12.2022	528.5	111.1	41.9	681.5
Additions				
Disposals				
Change in scope of consolidation				
Reclassification				
Translation differences	–2.1			–2.1
Balance as of 31.12.2023	**526.4**	**111.1**	**41.9**	**679.4**
Cumulative depreciation				
Balance as of 01.01.2022		–27.8	–13.2	–41.0
Amortization		–8.9	–2.9	–11.8
Impairment losses				
Reversals				
Disposals		0.5	0.4	0.9
Change in scope of consolidation				
Reclassification				
Translation differences				
Balance as of 31.12.2022		–36.2	–15.7	–51.9
Amortization		–11.1	–2.9	–14.0
Impairment losses				
Reversals				
Disposals				
Change in scope of consolidation		0.0		0.0
Reclassification				
Translation differences				
Balance as of 31.12.2023		**–47.3**	**–18.5**	**–65.9**
Net carrying values 31.12.2022	528.5	74.9	26.2	629.6
Net carrying values 31.12.2023	**526.4**	**63.8**	**23.4**	**613.6**

Goodwill

The goodwill resulting from a business combination is recognized as an asset in the balance sheet and assigned to one or more cash-generating units. The following organizational units represent the lowest level at which the goodwill allocated to them is monitored for internal management purposes:

Goodwill positions of each organizational unit

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Client Unit Wealth Management	308.0	308.0		
Southern & Western Switzerland, Italy and Middle East business unit	21.8	21.8		
USA & Canada business unit	50.0	50.0		
Client Unit Asset Management	62.0	62.4	–0.4	–1
Fixed Income business unit	49.5	51.3	–1.8	–4
Vescore business unit	35.0	35.0		
Total	**526.4**	**528.5**	**–2.1**	**–0**

The goodwill positions are subject to an annual impairment test, which is conducted in the third quarter of each year. If events or a change of circumstances indicate a possible impairment, the test is carried out more frequently to determine whether the carrying amount of the relevant organizational unit exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. If the carrying amount of the organizational unit exceeds the recoverable amount, a goodwill impairment is recorded. Reversals of impairments are not recorded.

When conducting an impairment test, Vontobel begins by comparing the carrying amount of the organizational unit with its fair value less costs to sell. Assets under management are a key factor that is considered in the case of all the organizational units that are assessed because it has a significant impact on their future earnings potential. The implicit multiplier for assets under management is calculated on the basis of the market capitalization of companies engaging in similar business activities, less tangible shareholders' equity. Tangible equity corresponds to reported shareholders' equity less intangible assets (mainly goodwill and client relationships), including deferred taxes. The implicit multiplier for assets under management is adjusted to take account of the difference between the gross margins of the organizational unit under review and the peer group as well as other factors that are relevant for the impairment test. If the carrying amount of the organizational unit exceeds the fair value calculated using the adjusted multiplier less costs to sell, the carrying amount is subsequently compared with the value in use of the organizational unit.

Multipliers of each organizational unit

IN %	2023	2022
Client Unit Wealth Management	1.8	1.6
Southern & Western Switzerland, Italy and Middle East business unit	2.0	1.8
USA & Canada business unit	1.4	1.5
Client Unit Asset Management	1.0	1.0
Fixed Income business unit	1.1	1.0
Vescore business unit	0.7	0.6

The fair value calculated using these multipliers less coststo sell exceeded the carrying amount of all organizational units both in the current reporting period and in the previous year. Management determined that no reasonably possible change in the assumptions would have resulted in the carrying amount of an organizational unit significantly exceeding its recoverable amount. Fair value less costs to sell is a level 3 position in the fair value hierarchy defined in IFRS 13.

Other intangible assets

Other intangible assets comprise client relationships acquired in the course of business combinations, a cooperation agreement with Raiffeisen and a referral agreement with UBS. They are depreciated on a straight-line basis over their useful life of ten years. The other intangible assets are tested for impairment if events or circumstances indicate that the carrying amount may be impaired. If the carrying amount exceeds the recoverable amount, an impairment loss is recorded. Any reversals of impairments at a later date are recognized in the income statement. No other intangible assets with an indefinite useful life are capitalized in Vontobel's balance sheet.

18 Other assets

	NOTE	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Accrued income and prepaid expenses		212.6	170.8	41.8	24
Current tax assets		43.2	46.0	–2.8	–6
Deferred tax assets	8	12.0	14.9	–2.9	–19
Value-added tax and other tax receivables		35.1	20.4	14.7	72
Defined benefit pension asset	34	21.0	8.8	12.1	138
Settlement and clearing accounts		8.1	40.9	–32.8	–80
Open settlement positions		412.2	219.1	193.1	88
Other		41.9	40.0	1.9	5
Total		**786.0**	**560.9**	**225.1**	**40**

19 Securities financing transactions

	31.12.2023 CASH COLLATERAL FOR		31.12.2022 CASH COLLATERAL FOR	
CHF M	SECURITIES BORROWING AGREEMENTS	REVERSE-REPURCHASE AGREEMENTS	SECURITIES BORROWING AGREEMENTS	REVERSE-REPURCHASE AGREEMENTS
Securities financing transactions due from banks	0.0			875.5
Securities financing transactions due from customers				18.5
Total receivables from securities financing transactions	**0.0**			**894.0**

	31.12.2023 CASH COLLATERAL FROM		31.12.2022 CASH COLLATERAL FROM	
CHF M	SECURITIES LENDING AGREEMENTS	REPURCHASE AGREEMENTS	SECURITIES LENDING AGREEMENTS	REPURCHASE AGREEMENTS
Securities financing transactions due to banks				92.5
Securities financing transactions due to customers				
Total payables from securities financing transactions				**92.5**

20 Assets subject to restrictions

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Securities financing transactions[1]	326.4	329.7	–3.3	–1
Trading portfolio assets	*240.2*	*177.0*	*63.2*	*36*
Other financial assets at fair value	*82.6*	*61.6*	*21.0*	*34*
Financial investments	*3.6*	*91.1*	*–87.5*	*–96*
Other transactions	472.6	735.2	–262.5	–36
Trading portfolio assets	*324.2*	*491.2*	*–167.0*	*–34*
Other financial assets at fair value	*147.5*	*219.1*	*–71.5*	*–33*
Financial investments	*0.9*	*24.9*	*–24.0*	*–96*
Total transferred assets	**799.0**	**1,064.9**	**–265.8**	**–25**
of which those where the right to sell or repledge the assets has been assigned without restriction	*778.1*	*1,064.9*	*–286.8*	*–27*
Total pledged assets	**609.5**	**635.4**	**–25.9**	**–4**
Cash collaterals (excluding securities financing transactions)	**285.1**	**347.0**	**–61.9**	**–18**

1 Including securities transferred as collateral in the context of securities borrowing transactions

Transferred or pledged assets mainly serve the contracting partners as collateral against Vontobel liabilities arising from securities borrowing, securities lending and repurchase transactions, or as collateral for settlement limits and margin accounts with central banks, clearing centers and stock exchanges, as well as for OTC contracts, collateral secured instruments (COSI) and due to customers. These assets remain on Vontobel's balance sheet because Vontobel retains the associated risks and rewards.

21 Saleable or pledgeable securities not recorded in the balance sheet

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Securities financing transactions[1]	345.3	1,156.9	–811.5	–70
Other transactions	62.0	53.0	9.0	17
Total fair value of securities received that can be sold or repledged[2]	**407.3**	**1,209.8**	**–802.5**	**–66**
of which securities sold or repledged	300.5	198.7	101.8	51

1 Including securities received as collateral in the context of securities lending transactions
2 The table shows the fair value of securities received, where the counterparty has assigned Vontobel the unrestricted right to sell or repledge them, and the fair value of those securities for which Vontobel has made use of this right.

22 Debt issued

ADDITIONAL TIER 1 (AT1) BONDS	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Balance at the beginning of the year	449.6	449.1	0.5	0
Issues	361.3		361.3	
Effect from compounding to par value	0.5	0.5	0.0	0
Redemptions	–450.0		–450.0	
Adjustment due to fair value hedge	19.5		19.5	
Currency translation adjustments	–29.3		–29.3	
Allowances as at the balance sheet date	**351.7**	**449.6**	**–97.9**	**–22**

PRIVATE PLACEMENTS (TERM NOTES)	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Balance at the beginning of the year	593.6		593.6	
Issues	375.0	638.7	–263.7	–41.3
Redemptions	–673.6	–45.1	–628.5	
Allowances as at the balance sheet date	**295.0**	**593.6**	**–298.6**	**–50.3**

In September 2023, Vontobel Holding AG issued new Additional Tier 1 bonds (AT1 bonds) in two tranches of USD 200 million each, with a total nominal value of USD 400 million. The issue price was 100 percent. The tranches were issued with different first call dates (after 8 and after 10 years, respectively). They were placed privately with funds managed by Apollo Global Management. The outstanding CHF 450 million AT1 bond issued in 2018 (ISIN CH0419042566) was redeemed on the first call date of October 31, 2023, at 100 percent plus interest.

The refinancing of the AT1 bond from 2018 enabled a reduction in the total volume and, as a result of the dual tranche approach, allowed for the diversification of the refinancing risk. The new instruments are also unhedged and subordinated, and they do not entail any voting rights and are essentially perpetual (no maturity date).

The earliest date on which Vontobel Holding AG can call Tranche 1 is September 29, 2031, after which it can be called every 8 years on September 29. An annual coupon of 9.48% p.a. applies until the first call date, after which the coupon will be reset every 8 years based on the total of the US Treasury Yields for 8 years at the time plus a margin of 4.85%.

Tranche 2 was issued with a first call date after 10 years, i.e. on September 29, 2033, after which it can be called every 10 years on September 29. A coupon of 9.68% p.a. applies until the first call date. If Vontobel Holding AG decides not to redeem Tranche 2 on the first call date, the annual coupon until the next call date will be set at the total of the US Treasury Yields for 10 years at the time plus a margin of 5.09%.

The issuer can waive the payment of interest in part or in full if the Swiss Financial Market Supervisory Authority (FINMA) issues an instruction to this effect or if Vontobel Holding AG does not have the necessary profit distribution reserves to fund the interest payments for the AT1 bonds and to make distributions that were already planned for the previous financial year. Cancelled interest payments will not be paid at a later point in time (non-cumulative).

If interest payments are not made, the Board of Directors is not permitted to propose the distribution of dividends to the General Meeting of Shareholders of Vontobel Holding AG until interest payments on the AT1 bond resume.

If a viability event occurs – i.e. if there is an imminent risk of insolvency as defined by Art. 29 of the Swiss Capital Adequacy Ordinance (CAO) issued by FINMA – an automatic debt waiver will take effect and the AT1 bond will be written down to zero. If the common equity tier 1 (CET1) ratio falls below the threshold of 7 percent, the AT1 bond will be written down to the extent required in order for the threshold of 7 percent to be reached again or exceeded. After a partial or complete writedown of the AT1 bond, a future reversal of the writedown is neither planned nor permitted.

23 Provisions

CHF M	PROVISIONS FOR LITIGATION RISKS	PROVISIONS FOR REINSTATEMENT OBLIGATIONS	OTHER[1]	2023 TOTAL	2022 TOTAL
Balance at the beginning of the year	7.2	3.0	4.6	14.9	16.3
Utilization in conformity with designated purpose	–1.1	–0.2	–1.3	–2.6	–3.9
Increase in provisions recognized in the income statement	2.3		0.7	3.0	6.7
Release of provisions recognized in the income statement	–0.1		–0.1	–0.3	–4.3
Increase in provisions not recognized in the income statement		0.1		0.1	0.1
Recoveries					
Change in scope of consolidation					
Translation differences	–0.0	–0.0	–0.0	–0.1	–0.1
Provisions as at the balance sheet date	**8.3**	**2.9**	**3.9**	**15.1**	**14.9**

1 Other provisions consist of provisions for expected credit losses of off-balance positions and other liabilities.

A provision is recognized if, as a result of a past event, Vontobel has a current liability at the balance sheet date that will probably lead to an outflow of funds, the level of which can be reliably estimated. In principle, the recognition and release of provisions is recorded in the item "General expense". Expected credit losses on off-balance-sheet positions are recorded in "Net interest and dividend income" (Sub-item "(Increase)/decrease in credit loss") reinstatement obligations are recorded in "Property, equipment and software". If an outflow of funds is unlikely to occur or the amount of the liability cannot be reliably estimated, a contingent liability is shown. If, as a result of a past event, there is a possible liability as of the balance sheet date whose existence depends on future developments that are not fully under Vontobel's control, a contingent liability is likewise shown.

Vontobel is involved in various legal proceedings in the course of its normal business operations. A provision is recorded in respect of current and potential legal proceedings if the above recognition criteria are met. In certain cases, external counsel is consulted to determine whether this is the case.

24 Other liabilities

				CHANGE TO 31.12.2022	
	NOTE	31.12.2023 CHF M	31.12.2022 CHF M	CHF M	IN %
Accrued expenses and deferred income		372.4	354.0	18.4	5
Current tax liabilities		25.4	13.3	12.1	91
Deferred tax liabilities	8	58.8	61.8	–3.1	–5
Defined benefit pension liabilities	34				
Value-added tax and other tax liabilities		29.4	19.0	10.4	55
Settlement and clearing accounts		9.0	39.5	–30.5	–77
Open settlement positions		1,086.4	759.3	327.0	43
Lease liabilities	16	160.0	181.0	–21.0	–12
Others		45.6	45.1	0.6	1
Total		**1,786.9**	**1,473.0**	**313.9**	**21**

25 Share capital

Share capital

	SHARE CAPITAL[1]		
	NUMBER OF SHARES	PAR VALUE CHF M	NUMBER OF OUTSTANDING SHARES[2]
Balance as of 01.01.2021	56,875,000	56.9	55,752,302
Balance as of 31.12.2021	56,875,000	56.9	55,235,116
Balance as of 31.12.2022	56,875,000	56.9	55,202,760
Balance as of 31.12.2023	**56,875,000**	**56.9**	**55,274,471**

1 The share capital is fully paid in.
2 Share capital excluding treasury shares

Treasury shares

	NUMBER	CHF M
Balance as of 01.01.2022	1,639,884	124.4
Purchases	1,604,300	103.2
Decreases	–1,571,944	–113.9
Balance as of 31.12.2022	1,672,240	113.7
Purchases	1,186,891	65.8
Decreases	–1,258,602	–85.9
Balance as of 31.12.2023[1]	**1,600,529**	**93.6**

1 As of 31.12.2023 Vontobel held 8,852 (previous year: 6,388) treasury shares to hedge options and structured products. Treasury shares were offset against shareholders' equity in accordance with IAS 32.

Capital band
There is no capital band for an increase or reduction in share capital.

Contingent share capital
There is no contingent share capital.

Risk related to balance sheet positions

26 Maturity structure

CHF M	DEMAND	DUE WITHIN 3 MONTHS	DUE WITHIN 3 TO 12 MONTHS	DUE WITHIN 1 TO 5 YEARS	DUE AFTER 5 YEARS	31.12.2023 TOTAL
Maturity structure of assets and liabilities						
Assets						
Cash	3,494.5					3,494.5
Due from banks	1,755.1	50.2	11.1			1,816.4
Receivables from securities financing transactions	0.0					0.0
Loans	93.7	2,661.1	1,110.5	1,743.5	703.3	6,312.0
Trading portfolio assets	4,577.4					4,577.4
Positive replacement values	317.7					317.7
Other financial assets at fair value	9,713.5					9,713.5
Financial investments	102.9	85.4	282.0	671.3	4.2	1,145.8
Investments in associates [1]					2.7	2.7
Property, equipment and software [1]					366.3	366.3
Goodwill and other intangible assets [1]					613.6	613.6
Other assets	786.0					786.0
Total assets	**20,840.9**	**2,796.7**	**1,403.6**	**2,414.8**	**1,690.0**	**29,146.0**
Liabilities						
Due to banks	1,267.2		8.4			1,275.7
Payables from securities financing transactions						
Customer deposits	7,135.5	2,239.0	577.0			9,951.5
Trading portfolio liabilities	189.8					189.8
Negative replacement values	1,007.9					1,007.9
Other financial liabilities at fair value	12,180.1					12,180.1
Debt issued			250.0	45.0	351.7	646.7
Provisions			2.8	10.3	2.0	15.1
Other liabilities	1,626.9	7.7	22.3	93.9	36.1	1,786.9
Total liabilities	**23,407.5**	**2,246.7**	**860.5**	**149.2**	**389.8**	**27,053.7**
Off-balance sheet						
Contingent liabilities and irrevocable commitments	418.0			0.4	3.8	422.2

1 Immobilized

Further information on liquidity risks can be found in section 4 of the notes on risk management and risk control.

CHF M	DEMAND	DUE WITHIN 3 MONTHS	DUE WITHIN 3 TO 12 MONTHS	DUE WITHIN 1 TO 5 YEARS	DUE AFTER 5 YEARS	31.12.2022 TOTAL
Maturity structure of assets and liabilities						
Assets						
Cash	3,884.2					3,884.2
Due from banks	1,574.1	0.9				1,575.1
Receivables from securities financing transactions		894.0				894.0
Loans	110.9	3,389.2	1,223.3	1,879.4	859.5	7,462.3
Trading portfolio assets	4,651.7					4,651.7
Positive replacement values	439.4					439.4
Other financial assets at fair value	8,297.2					8,297.2
Financial investments	122.3	54.2	312.1	1,209.9	28.7	1,727.3
Investments in associates[1]					3.7	3.7
Property, equipment and software[1]					383.9	383.9
Goodwill and other intangible assets[1]					629.6	629.6
Other assets	560.9					560.9
Total assets	**19,640.8**	**4,338.3**	**1,535.4**	**3,089.3**	**1,905.4**	**30,509.2**
Liabilities						
Due to banks	1,140.5	0.0				1,140.5
Payables from securities financing transactions		92.5				92.5
Customer deposits	12,715.7	469.8	55.4			13,240.9
Trading portfolio liabilities	170.4					170.4
Negative replacement values	1,191.0					1,191.0
Other financial liabilities at fair value	10,124.2					10,124.2
Debt issued			593.6		449.6	1,043.2
Provisions			2.8	10.1	1.9	14.9
Other liabilities	1,292.0	8.3	23.9	96.0	52.8	1,473.0
Total liabilities	**26,633.8**	**570.5**	**675.8**	**106.2**	**504.3**	**28,490.6**
Off-balance sheet						
Contingent liabilities and irrevocable commitments	398.6		0.0	0.4		399.1

1 Immobilized

27 Fair value of financial instruments

a) 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	31.12.2023 TOTAL
Assets				
Due from banks[1]		4.1		4.1
Loans[1]				
Trading portfolio assets	3,306.6	1,270.8	0.0	4,577.4
Debt instruments	*475.0*	*35.8*		*510.7*
Equity instruments	*2,463.3*		*0.0*	*2,463.3*
Units in investment funds	*368.3*		*0.0*	*368.4*
Precious metals		*866.5*		*866.5*
Cryptocurrencies		*368.5*		*368.5*
Positive replacement values		317.7		317.7
Other financial assets at fair value	7,224.9	2,485.6	2.9	9,713.5
Debt instruments[2]	*7,166.9*	*2,423.5*		*9,590.4*
Equity instruments	*0.0*		*0.0*	*0.0*
Units in investment funds	*58.0*		*2.9*	*60.9*
Structured products		*62.1*		*62.1*
Financial investments	1,042.9		102.9	1,145.8
Debt instruments	*1,042.9*			*1,042.9*
Equity instruments			*102.9*	*102.9*
Other assets			3.3	3.3
Total financial assets at fair value	**11,574.4**	**4,078.3**	**109.2**	**15,761.9**
Liabilities				
Due to banks[1]		53.7		53.7
Customer deposits[1]		433.9		433.9
Trading portfolio liabilities	187.2	2.6		189.8
Debt instruments	*104.9*	*2.6*		*107.6*
Equity instruments	*81.7*			*81.7*
Units in investment funds	*0.5*			*0.5*
Negative replacement values		1,007.9		1,007.9
Other financial liabilities at fair value[3]		12,180.1		12,180.1
Structured products		*9,530.4*		*9,530.4*
Debt instruments		*2,649.7*		*2,649.7*
Other liabilities				
Total financial liabilities at fair value	**187.2**	**13,678.3**		**13,865.4**

1 These positions contain receivables or liabilities in the form of previous metals.
2 In the case of debt instruments measured at fair value through profit and loss, the difference between the carrying amount (fair value) and the contractually agreed redemption amount at maturity was CHF –139.5 M.
3 Level 2 of the balance sheet item “Other financial liabilities at fair value” comprises listed issued products with a fair value of CHF 4,616.9 M.

CHF M	LEVEL 1	LEVEL 2	LEVEL 3	31.12.2022 TOTAL
Assets				
Due from banks [1]		3.4		3.4
Loans [1]		0.0		0.0
Trading portfolio assets	3,310.2	1,340.9	0.5	4,651.7
Debt instruments	*565.4*	*370.6*		*936.0*
Equity instruments	*2,444.7*		*0.5*	*2,445.3*
Units in investment funds	*300.0*		*0.0*	*300.0*
Precious metals		*791.3*		*791.3*
Cryptocurrencies		*179.0*		*179.0*
Positive replacement values		439.4		439.4
Other financial assets at fair value	5,334.6	2,959.3	3.2	8,297.2
Debt instruments [2]	*5,291.3*	*2,884.0*		*8,175.3*
Equity instruments	*0.0*		*0.2*	*0.2*
Units in investment funds	*43.3*		*3.0*	*46.3*
Structured products		*75.4*		*75.4*
Financial investments	1,596.5	8.5	122.3	1,727.3
Debt instruments	*1,596.5*	*8.5*		*1,605.0*
Equity instruments			*122.3*	*122.3*
Other assets			3.3	3.3
Total financial assets at fair value	**10,241.3**	**4,751.6**	**129.4**	**15,122.3**
Liabilities				
Due to banks [1]		60.8		60.8
Customer deposits [1]		489.8		489.8
Trading portfolio liabilities	167.6	2.9		170.4
Debt instruments	*82.9*	*2.9*		*85.8*
Equity instruments	*81.8*			*81.8*
Units in investment funds	*2.8*			*2.8*
Negative replacement values		1,191.0		1,191.0
Other financial liabilities at fair value [3]		10,124.2		10,124.2
Structured products		*8,811.6*		*8,811.6*
Debt instruments		*1,312.7*		*1,312.7*
Other liabilities				
Total financial liabilities at fair value	**167.6**	**11,868.6**		**12,036.2**

1 These positions contain receivables or liabilities in the form of previous metals.
2 In the case of debt instruments measured at fair value through profit and loss, the difference between the carrying amount (fair value) and the contractually agreed redemption amount at maturity was CHF –188.8 M.
3 Level 2 of the balance sheet item “Other financial liabilities at fair value” comprises listed issued products with a fair value of CHF 4,170.7 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 debt instruments issued by public sector entities and companies, as well as investment funds for which a binding net asset value is published at least daily.

Mid-market prices are used for the valuation of debt 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 debt 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, generally accepted prices are applied (see section 3.2 of the accounting principles).

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

Level 2 instruments

Level 2 instruments are, in principle, 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 debt instruments issued by public sector entities and companies with reduced market liquidity, investment funds for which a binding net asset value is published at least quarterly, precious metals and cryptocurrencies.

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 debt 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 debt 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. For precious metals and cryptocurrencies, the fair value is derived from the prices of the corresponding futures.

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 primarily include several unlisted equity instruments in financial investments.

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 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[1]	2023 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES	2023 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	3.8	122.3	3.3	129.4		
Additions in scope of consolidation						
Disposals from scope of consolidation						
Investments	0.4			0.4		
Disposals						
Redemptions	–0.0			–0.0		
Net gains / (losses) recognized in the income statement	–1.2			–1.2		
Net gains / (losses) recognized in other comprehensive income		–19.4		–19.4		
Change recognized in shareholders' equity						
Reclassifications to level 3						
Reclassifications from level 3						
Translation differences	–0.0			–0.0		
Total carrying amount at balance sheet date	**2.9**	**102.9**	**3.3**	**109.2**		
Income in the financial year on holdings at balance sheet date						
Net gains / (losses) recognized in the income statement	–0.5			–0.5		
Net gains / (losses) recognized in other comprehensive income		–19.4		–19.4		

1 This item contains the asset from an earn-out-agreement relating to the acquisition of UBS Swiss Financial Advisers AG, of today's Vontobel Swiss Financial Advisers AG (31.12.2023: 3.3 M; 31.12.2022: 3.3 M).

CHF M	FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	FINANCIAL INVESTMENTS	OTHER ASSETS[1]	2022 TOTAL FINANCIAL ASSETS	OTHER LIABILITIES[2]	2022 TOTAL FINANCIAL LIABILITIES
Balance sheet						
Holdings at the beginning of the year	5.1	130.5		135.5	–1.2	–1.2
Additions in scope of consolidation			3.3	3.3		
Disposals from scope of consolidation						
Investments	0.0			0.0		
Disposals	–10.2			–10.2		
Redemptions	–0.0			–0.0	0.4	0.4
Net gains / (losses) recognized in the income statement	8.3			8.3	0.8	0.8
Net gains / (losses) recognized in other comprehensive income		–8.1		–8.1		
Change recognized in shareholders' equity						
Reclassifications to level 3	0.5			0.5		
Reclassifications from level 3						
Translation differences						
Total carrying amount at balance sheet date	**3.8**	**122.3**	**3.3**	**129.4**		
Income in the financial year on holdings at balance sheet date						
Net gains / (losses) recognized in the income statement	0.1			0.1		
Net gains / (losses) recognized in other comprehensive income		–8.1		–8.1		

1 This item contains the asset from an earn-out-agreement relating to the acquisition of UBS Swiss Financial Advisers AG, of today's Vontobel Swiss Financial Advisers AG (31.12.2022: 3.3 M; 31.12.2021: n/a).
2 This item contains the liability from an earn-out-agreement relating to the acquisition of the US-based private clients portfolio of Lombard Odier (31.12.2022: n/a; 31.12.2021: CHF 1.2 M).

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 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, there were no level 3 instruments with deferred "day 1 profit".

Reclassifications within the fair value hierarchy
In 2023 (previous year), positions with a fair value of CHF 223.9 million (CHF 383.2 million) were reclassified from level 1 to level 2 and positions with a fair value of CHF 1,002.6 million (CHF 80.2 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.

b) Financial instruments measured at amortized cost

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

Financial instruments measured at amortized cost

					31.12.2023		31.12.2022
CHF M	LEVEL 1	LEVEL 2	LEVEL 3	FAIR VALUE TOTAL	CARRYING AMOUNT TOTAL	FAIR VALUE TOTAL	CARRYING AMOUNT TOTAL
Assets							
Cash	3,494.5			3,494.5	3,494.5	3,884.2	3,884.2
Due from banks [1]		1,812.3		1,812.3	1,812.3	1,571.6	1,571.6
Receivables from securities financing transactions		0.0		0.0	0.0	894.0	894.0
Loans [1]		6,343.3		6,343.3	6,312.0	7,253.2	7,462.3
Other assets [2]		671.5		671.5	671.5	467.5	467.5
Total	**3,494.5**	**8,827.2**		**12,321.7**	**12,290.4**	**14,070.5**	**14,279.5**
Liabilities							
Due to banks [1]		1,221.9		1,221.9	1,221.9	1,079.7	1,079.7
Payables from securities financing transactions						92.5	92.5
Customer deposits [1]		9,517.6		9,517.6	9,517.6	12,751.0	12,751.0
Debt issued		295.0	358.5	653.5	646.7	1,032.2	1,043.2
Other liabilities [2]		1,513.4		1,513.4	1,513.4	1,197.9	1,197.9
Total		**12,547.9**	**358.5**	**12,906.4**	**12,899.6**	**16,153.4**	**16,164.4**

1 Excludes receivables and liabilities in the form of precious metals
2 The item mainly includes the accrued interest as well as open settlement positions.

For financial instruments that have a maturity or a refinancing profile of a maximum of one year, it is assumed that the carrying amount corresponds closely enough to the fair value. For financial instruments that have a maturity or a refinancing profile of over one year, fair value is determined using the present value method or another generally accepted method. These types of financial instruments are included almost exclusively in loans to customers and debt issued.

28 Credit risks and expected credit losses

General information on the risk policy and credit risks
Please refer to sections 1 and 5 of the information about risk management and risk control.

Maximum credit risk before and after credit risk mitigation
The following table shows the maximum credit risk from all balance sheet and off-balance sheet positions and the available credit risk mitigation.

CHF M	CREDIT RISK BEFORE CREDIT RISK MITIGATION	CREDIT RISK MITIGATION[1]	31.12.2023 CREDIT RISK AFTER CREDIT RISK MITIGATION
Positions with credit risks			
Cash[2]	3,494.5		3,494.5
Due from banks	1,816.4	1,414.5	401.9
Receivables from securities financing transactions	0.0	0.0	
Loans	6,312.0	5,933.0	379.0
Trading portfolio assets (debt instruments)	510.7		510.7
Positive replacement values	317.7	317.5	0.2
Other financial assets at fair value (debt instruments)	9,590.4		9,590.4
Financial investments (debt instruments)	1,042.9		1,042.9
Other assets	674.8	412.2	262.6
Exposure from credit default swaps[3]	179.8		179.8
Off-balance-sheet positions	385.5	339.6	45.9
Total	**24,324.9**	**8,416.9**	**15,908.1**

CHF M	CREDIT RISK BEFORE CREDIT RISK MITIGATION	CREDIT RISK MITIGATION[1]	31.12.2022 CREDIT RISK AFTER CREDIT RISK MITIGATION
Positions with credit risks			
Cash[2]	3,884.2		3,884.2
Due from banks	1,575.1	1,069.5	505.5
Receivables from securities financing transactions	894.0	894.0	0.0
Loans	7,462.3	7,067.5	394.7
Trading portfolio assets (debt instruments)	936.0		936.0
Positive replacement values	439.4	432.7	6.7
Other financial assets at fair value (debt instruments)	8,175.3		8,175.3
Financial investments (debt instruments)	1,605.0		1,605.0
Other assets	470.8	219.1	251.7
Exposure from credit default swaps[3]	196.7		196.7
Off-balance-sheet positions	358.8	323.5	35.3
Total	**25,997.4**	**10,006.2**	**15,991.2**

1 Credit risk mitigation is presented on the basis of Basel III regulations and encompasses netting agreements, securities collateral, cash collateral and mortgage collateral.
2 Bank notes and coins are included in the disclosure.
3 Default risks relating to the reference entities of credit default swaps where Vontobel acts as the protection seller. Any credit risk vis-à-vis the counterparty of the credit default swap is included in the balance sheet item “Positive replacement values”.

Expected credit losses

From the credit risks shown in the above table, those that fall within the scope of the IFRS 9 impairment model at Vontobel mainly comprise financial assets recognized at amortized cost, debt instruments in financial investments, and credit risks from off-balance sheet positions. Vontobel applies the impairment model individually for all relevant financial instruments.

a) Credit risks by region

The following table shows the credit risks that fall within the scope of the impairment model, broken down by region. The domicile of the counterparty or issuer generally serves as the basis for the geographical assignment of risks.

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2023 TOTAL
Cash	3,489.9	4.6	0.0			3,494.5
Due from banks	1,176.9	471.8	143.4	23.6	0.7	1,816.4
Receivables from securities financing transactions		0.0				0.0
Loans	3,458.4	1,433.1	481.6	296.3	642.6	6,312.0
Financial investments (debt instruments)	153.9	293.9	331.0	236.1	28.1	1,042.9
Other assets	383.3	172.6	34.4	81.4	3.1	674.8
Off-balance sheet	199.7	137.1	9.9	17.5	21.3	385.5
Total	**8,862.1**	**2,513.1**	**1,000.3**	**654.9**	**695.8**	**13,726.1**

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	NORTH AMERICA	ASIA	OTHERS	31.12.2022 TOTAL
Cash	3,881.4	2.9				3,884.2
Due from banks	1,069.2	402.2	83.1	11.9	8.7	1,575.1
Receivables from securities financing transactions	894.0					894.0
Loans	3,416.3	1,727.2	601.5	363.1	1,354.1	7,462.3
Financial investments (debt instruments)	248.2	471.5	461.6	375.8	47.8	1,605.0
Other assets	288.1	117.7	31.2	33.9	0.0	470.8
Off-balance sheet	185.1	97.7	24.0	23.1	28.9	358.8
Total	**9,982.2**	**2,819.1**	**1,201.3**	**807.8**	**1,439.6**	**16,250.1**

b) Credit risks by counterparty type or industry
The following table shows the credit risks that fall within the scope of the impairment model, broken down by counterparty type or industry.

CHF M	GOVERNMENTS AND CENTRAL BANKS	BANKS	PUBLIC BODIES	PRIVATE AND INSTITUTIONAL COUNTERPARTIES	OTHERS	31.12.2023 TOTAL
Cash	3,479.9	14.6		0.0		3,494.5
Due from banks	90.9	1,725.5				1,816.4
Receivables from securities financing transactions		0.0				0.0
Loans				6,312.0		6,312.0
Financial investments (debt instruments)	519.8	193.3	97.0		232.8	1,042.9
Other assets	20.2	340.3		314.3		674.8
Off-balance sheet		115.0		270.5		385.5
Total	**4,110.8**	**2,388.7**	**97.0**	**6,896.8**	**232.8**	**13,726.1**

CHF M	GOVERNMENTS AND CENTRAL BANKS	BANKS	PUBLIC BODIES	PRIVATE AND INSTITUTIONAL COUNTERPARTIES	OTHERS	31.12.2022 TOTAL
Cash	3,870.4	13.8				3,884.2
Due from banks		1,575.1				1,575.1
Receivables from securities financing transactions	80.0	795.5			18.5	894.0
Loans				7,462.3		7,462.3
Financial investments (debt instruments)	806.6	356.9	143.3		298.1	1,605.0
Other assets	100.8	242.4	7.0	120.6		470.8
Off-balance sheet		53.5		246.1	59.3	358.8
Total	**4,857.9**	**3,037.1**	**150.3**	**7,828.9**	**375.9**	**16,250.1**

c) Expected credit losses

The following table shows the expected credit losses for those credit risks that fall within the scope of the impairment model.

			31.12.2023			31.12.2022
CHF M	12-MONTH LOSSES (STAGE 1)	LIFETIME LOSSES (STAGE 2 & 3)	TOTAL	12-MONTH LOSSES (STAGE 1)	LIFETIME LOSSES (STAGE 2 & 3)	TOTAL
Cash[1]						
Due from banks[1]	0.3	0.1	0.4	0.2	0.0	0.2
Receivables from securities financing transactions[1]						
Loans[1]	0.2	34.1	34.3	0.3	35.2	35.4
Financial investments (debt instruments)[2]	0.2		0.2	0.2		0.2
Other assets[1]					5.1	5.1
Off-balance sheet[3]	0.0		0.0	0.0		0.0
Total	**0.7**	**34.2**	**34.9**	**0.7**	**40.3**	**41.0**

1 Expected losses were deducted from the balance sheet item.
2 Expected losses were recognized in other comprehensive income.
3 Expected losses were recognized as a provision.

At Vontobel, a financial instrument is assigned to stage 1 of the impairment model at the time of initial recognition. Vontobel has elected under IFRS 9 to continue to allocate all financial instruments with an internal or external rating of at least “investment grade” to stage 1 after initial recognition. At Vontobel, this applies to the vast majority of financial instruments. If a financial instrument displays a significantly increased credit risk (risk of default) compared to the time of initial recognition and if any (internal or external) rating no longer corresponds to at least “investment grade”, it is transferred to stage 2. The main indicators of a significant increase in credit risk are: A delay in payment and a material deterioration in the rating, credit risk-related market data (e.g. increase in the risk premium) or borrower-related (idiosyncratic) factors. If a payment is more than 30 days past due, a financial instrument is, in principle, always transferred to stage 2. If a counterparty defaults, the financial instrument is transferred to level 3. A counterparty is classified as defaulted when material payments of interest, principal or fees are overdue for more than 90 days. Counterparties are also classified as defaulted when bankruptcy, insolvency proceedings or enforced liquidation have commenced. In the case of debt instruments in financial investments, a material decrease in the market price due to borrower-specific factors is considered a significant indicator of the borrower’s default.

The expected credit losses in stage 1 of the impairment model correspond to the present value of expected credit losses resulting from possible default events within 12 months of the balance sheet date (“12-month losses”). The expected credit losses in stages 2 and 3 correspond to the present value of all expected credit losses over the remaining lifetime of the financial instrument (“lifetime losses”). The change in expected credit losses for the three stages is shown in “Net interest and dividend income” (sub-item “(Increase)/decrease in credit losses”).

The expected credit losses on financial instruments with an external or comparable internal rating are calculated by multiplying the exposure at default (EAD) with the probability of default (PD) and the loss given default (LGD).The probabilities of default are generally determined using the rating transition matrixes of rating agencies or internal ratings. The value of collateral is taken into account.

The expected credit losses of financial instruments in stage 3 are calculated after taking account of collateral valued at the liquidation value using an individual assessment of the unsecured portion of the loan. Derecognition generally occurs at the point in time when a legal title confirms the conclusion of the realization proceedings or recoveries of loans that were already written off are no longer expected.

The financial investments held by Vontobel generally consist solely of liquid debt instruments from high-quality borrowers that have been assigned an external rating in the high “investment grade” range by a recognized rating agency. The creditworthiness of the borrowers is monitored continuously based on changes in external ratings, market factors as well as internal assessments. If a debt instrument no longer meets the internal rules governing creditworthiness, it is generally sold within a very short period of time. In exceptional cases where the instrument is not sold, checks are carried out at the next balance sheet date to determine whether there has been a significant increase in the credit risk or whether there are significant indicators of impairment. Since the debt instruments are highly liquid, the market price is a reliable indicator of the financial position of a borrower. In the event of a significant decrease in market price due to borrower-related factors, the debt instrument is classed as impaired.

The secured loans provided to investment clients ("lombard lending") and exposures to professional counterparties – with the exception of the financial investments described above – are generally only entered into on a secured basis, with securities serving as easily realizable collateral. Mortgage collateral consists of mortgage certificates, although the corresponding clients generally hold additional assets at Vontobel. Further information about the procedures to ensure that adequate collateral is in place as well the methods and processes used to carefully manage counterparty risks resulting from unsecured exposures is provided in chapter 5 of the notes on risk management and risk control. The management and control of counterparty risks minimizes the probability that a stage 1 exposure will have to be transferred to stages 2 or 3.

Due to the very good creditworthiness of the counterparties, the daily monitoring of credit positions (exception: mortgages), the short maturity of many debt instruments and the prudent lending rates of the collateral received, expected credit losses in stages 1 and 2 are very low.

Financial instruments in stage 3 of the impairment model represent impaired loans. In the current reporting period and the previous year, they were mainly contained in the balance sheet position "Loans". The following table shows the development of expected credit losses from impaired loans and the stage of impaired loans before and after collateral is considered.

			CHANGE TO 2022	
EXPECTED CREDIT LOSSES FROM IMPAIRED LOANS	**2023 CHF M**	**2022 CHF M**	**CHF M**	**IN %**
Balance at the beginning of the year	28.2	24.1	4.1	17
Write-offs	–14.9		–14.9	
Doubtful interest income	1.6	1.1	0.5	45
Recoveries				
Increase / (decrease) recognized in the income statement, net	–0.1	3.0	–3.1	–103
Change in scope of consolidation				
Reclassification		–0.0	0.0	
Currency translation adjustments	0.0	–0.0	0.0	
Allowances as at the balance sheet date	**14.8**	**28.2**	**–13.4**	**–48**

			CHANGE TO 31.12.2022	
	31.12.2023 CHF M	**31.12.2022 CHF M**		**IN %**
IMPAIRED LOANS				
Impaired loans	45.2	58.3	–13.0	–22
Estimated proceeds of liquidating collateral	30.4	25.8	4.5	17
Impaired loans, net	**14.8**	**32.4**	**–17.6**	**–54**

Depending on the specific case, impaired loans (or the collateral received) are sold or held until the insolvency or legal proceedings have been concluded and then derecognized.

d) Credit risks by rating classes

The following tables show credit risks that fall within the scope of the impairment model, broken down by rating classes to the extent that the internal or external rating of the borrower or of any guarantor represents a relevant criterion at the time of lending or when the purchase decision was made. For remaining credit risks, the collateral received is the primary or sole factor considered when granting the loan or reaching a purchase decision (especially receivables from securities financing transactions and lombard loans), which is why they are not included in the following tables. For "Due from banks", only the carrying amounts of unsecured exposures are shown. For loans, the carrying amounts of mortgages and of receivables guaranteed by a third party with an external rating are shown.

Due from banks (unsecured exposures)

			31.12.2023			31.12.2022
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
AAA-AA	64.1		64.1	141.6		141.6
A	318.3		318.3	358.1		358.1
BBB-BB	8.4	0.3	8.7	0.9	1.3	2.2
B						
CCC-CC						
C						
D						
without rating		10.7	10.7		3.6	3.6
Total	**390.9**	**11.0**	**401.9**	**500.7**	**4.8**	**505.5**

Loans (mortgages)[1]

			31.12.2023			31.12.2022
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
Internal rating 1–2	1,484.0		1,484.0	1,431.3		1,431.3
Internal rating 3–4	284.2		284.2	307.1		307.1
Internal rating 5–6	6.3		6.3	17.5		17.5
Internal rating 7–8		28.7	28.7		27.7	27.7
Total	**1,774.6**	**28.7**	**1,803.2**	**1,755.9**	**27.7**	**1,783.6**

1 The table includes nominal values without taking fair value hedge accounting into account.

Loans (rating of third-party guarantor)

			31.12.2023			31.12.2022
CHF M	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**	**STAGE 1**	**STAGE 2 & 3**	**TOTAL**
AAA-AA	11.6		11.6	4.6		4.6
A	12.8		12.8	21.7		21.7
BBB-BB				0.2		0.2
B						
CCC-CC						
C						
D						
without rating					3.1	3.1
Total	**24.5**		**24.5**	**26.5**	**3.1**	**29.6**

Financial investments (debt instruments)

			31.12.2023			31.12.2022
CHF M	STAGE 1	STAGE 2 & 3	TOTAL	STAGE 1	STAGE 2 & 3	TOTAL
AAA-AA	925.1		925.1	1,426.5		1,426.5
A	113.3		113.3	171.0		171.0
BBB-BB	4.4		4.4	7.5		7.5
B						
CCC-CC						
C						
D						
without rating						
Total	**1,042.9**		**1,042.9**	**1,605.0**		**1,605.0**

29 Netting agreements

To reduce credit risks related to derivative contracts and securities financing transactions, Vontobel enters into master netting agreements or similar netting arrangements with its counterparties. These netting agreements include ISDA Master Netting Agreements, Global Master Securities Lending Agreements (GMSLA), Global Master Repo Agreements (GMRA) and derivatives market rules.

These netting agreements enable Vontobel to protect itself against loss in the event of a possible insolvency or other circumstances that result in a counterparty being unable to meet its obligations. In such cases, the netting agreements provide for the immediate net settlement of all financial instruments covered by the agreement. The right of offset essentially only becomes enforceable following a default event or other circumstances not expected to arise in the normal course of business. Consequently, financial instruments covered by a netting agreement do not meet the requirements for balance sheet offsetting, which is why the carrying amounts of the corresponding financial instruments are not offset on the balance sheet.

Financial assets

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL RECEIVED	UNSECURED AMOUNT
Positive replacement values	317.7		317.7	123.9	193.6	0.2
Receivables from securities financing transactions	0.0		0.0		0.0	
Total 31.12.2023	**317.8**		**317.8**	**123.9**	**193.6**	**0.2**

Financial liabilities

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL PROVIDED	UNSECURED AMOUNT
Negative replacement values [1]	703.5		703.5	123.9	559.5	20.1
Payables from securities financing transactions	0.0				0.0	
Total 31.12.2023	**703.5**		**703.5**	**123.9**	**559.5**	**20.1**

1 Negative replacement values in the amount of CHF 304.4 M are not included in the table because the corresponding derivatives are not covered by a netting agreement.

Financial assets

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL RECEIVED	UNSECURED AMOUNT
Positive replacement values	439.4		439.4	131.5	301.2	6.7
Receivables from securities financing transactions	894.0		894.0		894.0	0.0
Total 31.12.2022	**1,333.4**		**1,333.4**	**131.5**	**1,195.2**	**6.7**

Financial liabilities

CHF M	AMOUNT BEFORE BALANCE SHEET OFFSETTING	BALANCE SHEET OFFSETTING	CARRYING AMOUNT	FINANCIAL INSTRUMENTS NOT OFFSET	COLLATERAL PROVIDED	UNSECURED AMOUNT
Negative replacement values [1]	941.8		941.8	131.5	779.9	30.4
Payables from securities financing transactions	92.5		92.5		92.5	
Total 31.12.2022	**1,034.3**		**1,034.3**	**131.5**	**872.4**	**30.4**

1 Negative replacement values in the amount of CHF 249.2 M are not included in the table because the corresponding derivatives are not covered by a netting agreement.

30 IBOR reform

As of December 31, 2021, Vontobel had adjusted all LIBOR-based positions in CHF, EUR, GBP and JPY. In the first half of 2023, the remaining positions based on USD LIBOR were migrated to an alternative interest rate.

31 Hedge accounting

Fair value hedge of mortgages
Vontobel hedges part of the long-term mortgages against general interest rate risks using payer interest rate swaps with maturities that match the terms of the hedged mortgages as far as possible. The client-related risk premium is therefore not part of the hedge. The effectiveness of the hedge is tested prospectively using various interest rate scenarios. Hedge ineffectiveness can arise primarily due to any differences between the term of the hedged mortgages and the maturities of the hedging instruments. Interest rate swaps are only entered into on a collateralized basis, which is why changes in the creditworthiness of the counterparty do not, in principle, have any impact on the valuation of the hedging instruments.

The change in the fair value of interest rate swaps is recognized in trading income. The change in the fair value of hedged mortgages that is attributable to the hedged risk leads to an adjustment of the carrying amount of the corresponding mortgages and is also recognized in trading income. In the case of early termination of the hedge, the cumulative adjustment of the carrying amount of the corresponding mortgages is recognized in net interest income over their remaining term.

Fair value hedge of additional tier 1 (AT1) bonds
Vontobel hedges the two outstanding AT1 bonds against general interest rate risk using two receiver interest rate swaps that run until the first call date of the respective AT1 bond. The risk premium included in the coupon of the AT1 bonds is therefore not a component of the hedge. The effectiveness of the hedge is tested prospectively using various interest rate scenarios. Interest rate swaps are only entered into on a collateralized basis, which is why changes in the creditworthiness of the counterparty do not, in principle, have any impact on the valuation of the hedging instrument. The change in the fair value of interest rate swaps is recognized in trading income. The change in the fair value of the hedged AT1 bonds that is attributable to the hedged risk leads to an adjustment of the carrying amount of the AT1 bonds and is also recognized in trading income.

Hedges of net investments in foreign operations
Vontobel hedges part of the foreign currency risks related to its net investments in foreign operations. The spot component of foreign currency forwards with short maturities serves as a hedging instrument in this context. In principle, there is no ineffectiveness since, on the one hand, the foreign exchange rate used for the currency translation of the net investments and for the valuation of hedging instruments is identical and, on the other hand, the foreign currency forwards are only entered into on a collateralized basis, which is why changes in the creditworthiness of the counterparty do not, in principle, have any impact on the valuation of the hedging instruments.

The change in fair value of the effective portion of the forwards is recognized in other comprehensive income and is shown in the statement of equity in the column “Currency translation adjustments”, while the change in fair value of the ineffective and/or non-designated portion (interest component) of the forwards is recognized in trading income. If a realization event occurs (e.g. when control over a subsidiary is lost), the related income from hedges is transferred from shareholders’ equity to the item “Other income” in the income statement.

Information on hedging instruments

CHF M	31.12.2023	31.12.2022
Fair value hedge of mortgages		
Positive replacement values of interest rate swaps	19.2	36.1
Negative replacement values of interest rate swaps	5.0	
Nominal value of interest rate swaps	459.0	238.3
Nominal value-weighted residual term of interest rate swaps (in years)	0.0	8.0
Fair value hedge additional tier 1 (AT1) bond		
Positive replacement values of interest rate swaps	19.4	
Negative replacement values of interest rate swaps		
Nominal value of interest rate swaps	336.7	
Nominal value-weighted residual term of interest rate swaps (in years)	0.0	
Hedges of net investments in foreign operations		
Positive replacement values of forwards	1.3	
Negative replacement values of forwards		0.2
Nominal value of forwards	65.1	69.1

Effect of hedge accounting on the components of shareholders' equity "Currency translation adjustments" (before taxes)[1]

	CURRENCY TRANSLATION ADJUSTMENTS	
CHF M	2023	2022
Balance at the beginning of the year	5.4	2.0
Income during the reporting period	2.7	3.3
Gains and losses transferred to the income statement		
As at the balance sheet date	**8.1**	**5.4**

1 The currency translation adjustments are reported in the balance sheet item "Other components of shareholders' equity".

Effect of fair value hedge accounting on the carrying amount of mortgages and additional tier 1 (AT1) bond

CHF M	31.12.2023	31.12.2022
Cumulative increase (decrease) in the carrying amount of mortgages	–15.0	–36.6
Cumulative increase (decrease) in the carrying amount of additional tier 1 (AT1) bond	19.5	

Ineffectiveness

CHF M	2023	2022
Fair value hedges of mortgages	–0.3	0.1
Fair value hedges of additional tier 1 (AT1) bond	–0.2	
Hedges of net investments in foreign operations		

Off-balance sheet business and other information

32 Off-balance sheet business

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Contingent liabilities[1]				
Credit guarantees[2]	290.0	250.9	39.1	16
Performance guarantees	1.6	14.4	–12.8	–89
Other contingent liabilities[3]	41.5	41.7	–0.2	–0
Total	**333.2**	**307.0**	**26.2**	**9**
Irrevocable commitments[1]				
Undrawn irrevocable credit facilities[4]	89.0	92.0	–3.0	–3
of which payment obligations to customer deposit protections	*39.7*	*32.4*	*7.3*	*23*

1 Of the aggregate sum of CHF 422.2 M (previous year: CHF 399.1 M) comprising contingent liabilities and irrevocable commitments, a total of CHF 339.6 M (previous year: CHF 323.5 M) is secured by recognized collateral and CHF 82.6 M (previous year: CHF 75.6 M) is unsecured.
2 This item consists primarily of guarantee obligations issued in connection with client relationships.
3 This item consists primarily of contingent liabilities related to litigation.
4 This item consists primarily of irrevocable lending commitments and loan repayment commitments as well as the payment obligations to customer deposit protections.

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Commitments for capital increases and capital contributions				
Commitments for capital increases and capital contributions	0.2	0.2	–0.0	0
Total	**0.2**	**0.2**	**–0.0**	**0**
Fiduciary transactions				
Fiduciary placements	5,507.1	3,969.0	1,538.1	39
Total	**5,507.1**	**3,969.0**	**1,538.1**	**39**

Litigation

IIn 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 it has therefore decided not to set aside any provisions for such a lawsuit, but rather to disclose the amount under contingent liabilities.

33 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. It also comprises investment products offered by Financial Products to give private and institutional clients access to all asset classes and markets.

Client assets

	31.12.2023 CHF B	31.12.2022 CHF B	CHANGE TO 31.12.2022 CHF B	IN %
Assets under management	206.8	204.4	2.4	1
Other advised client assets	15.5	14.5	1.0	7
Structured products and debt instruments outstanding	9.6	7.7	1.9	25
Total advised client assets	**231.9**	**226.6**	**5.3**	**2**
Custody assets	33.1	27.9	5.2	19
Total client assets	**264.9**	**254.6**	**10.3**	**4**

Assets under management

	31.12.2023 CHF B	31.12.2022 CHF B	CHANGE TO 31.12.2022 CHF B	IN %
Assets in self-managed collective investment instruments	46.6	48.6	–2.0	–4
Assets with management mandate	75.5	76.2	–0.7	–1
Other assets under management	84.7	79.6	5.1	6
Total assets under management	**206.8**	**204.4**	**2.4**	**1**
of which double counts	*6.1*	*5.8*	*0.3*	*5*

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

Development of assets under management

CHF B	2023	2022
Total assets under management (incl. double counts) at the beginning of the period	204.4	243.7
Change attributable to net new money	–3.5	–5.2
Change attributable to market value	7.1	–40.3
Change attributable to other effects[1]	–1.2	6.2
Total assets under management (incl. double counts) at the balance sheet date	**206.8**	**204.4**

1 2023: Negative effect of CHF 1.2 B due to the decision to exit markets in connection with the strategic focus on a strictly limited number of developed markets 2022: Positive impact of CHF 6.2 B due to the acquisition of UBS Swiss Financial Advisers AG, of today’s Vontobel Swiss Financial Advisers AG

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 customer deposits in the form of savings and investments accounts, fixed-term and fiduciary deposits and all valued assets. 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. Starting from the financial year 2023, an outflow is, however, treated as net new money neutral if it occurs due to a strategic decision to exit a specific market or service offering. In this case, the outflow is reported as "Change due to other effects". This change was applied prospectively; the figures for the previous year were not adjusted. 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.

34 Employee benefit plans

In Switzerland, Vontobel insures its employees against the financial consequences of old age, disability and death primarily through two autonomous occupational pension funds (basic fund and supplementary fund). It also operates an employee welfare fund.

The Board of Trustees is the most senior governing body of the pension funds and is composed of employee and employer representatives. Pension benefits are funded through employer and employee contributions, which amount to between 3.0 percent and 18.5 percent, or between 1.5 percent and 16.0 percent of the insured salary, depending on the age group. Upon reaching the ordinary retirement age of 64 years for women (with a gradual increase to 65 years by 2028) or 65 years for men, the pension funds give the insured the choice between receiving a lifelong pension and drawing part or all of their pension benefits in the form of a lump-sum payment. The annual pension is calculated on the basis of the pension assets available at the retirement date, multiplied by the applicable conversion rate. Depending on the year in which the insured was born and on the pension fund, the conversion rate at the ordinary retirement age is between 5.2 percent and 5.9 percent. The insured can take early retirement from the age of 58. Disability pensions and pensions for surviving spouses are defined as a percentage of the insured salary. The benefits and contributions are set out in the pension fund regulations, with the minimum benefits being prescribed by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). In the event of a funding deficit according to the BVG, the employer can be required to pay contributions towards the restructuring of the pension fund. At the end of 2023, both pension funds had a funded status – as defined by the BVG – of over 100 percent.

The Board of Trustees of each pension fund is responsible for investing its assets. The investment strategy is defined in such a way as to enable pension benefits to be paid when they fall due.

The Swiss pension funds were set up according to the Swiss method of defined contributions but are classed as defined benefit plans under IAS 19 because both the actuarial risks and the investment risks are borne not only by the insured but also by the company.

In the case of defined benefit plans, the pension obligations and expenses are determined by actuarial appraisals prepared by outside experts according to the projected unit credit method. The appropriate calculations are performed on an annual basis. The net amount recognized in the balance sheet corresponds to the funding surplus or funding deficit of the defined benefit pension plans, taking account of any possible restrictions on the amount of a surplus that can be recognized as an asset (asset ceiling). Net interest based on the net liability or net asset of the defined benefit pension plans, the current and (due to plan amendments or plan curtailments) past service costs, the administration costs (excluding asset management costs) and the gains and losses arising from plan settlements are recorded in personnel expense. Actuarial gains and losses on pension liabilities as well as the return on plan assets and changes due to the asset ceiling (following the deduction of the sums recorded in net interest) are recognized in other comprehensive income.

The most recent actuarial calculation according to IAS 19 was carried out for these pension plans by independent experts as of April 30, 2023. There were no plan amendments, plan settlements or plan curtailments in the current reporting period or in the previous year.

Vontobel has foreign pension plans in Australia, Dubai, France, Hong Kong, Italy, Luxembourg, Singapore, Spain, UK and the US that are classed as defined contribution plans under IAS 19. Vontobel has individual pension commitments in Germany, for which the corresponding provisions have been recognized.

No actuarial calculations are required in order to record defined contribution plans in the balance sheet. The contributions to these types of pension plans are recorded in the income statement when the employees render the corresponding services, which is generally in the year in which the contributions are paid.

Defined benefit pension plans in Switzerland

CHF M	PENSION OBLIGATIONS	PLAN ASSETS	ASSET CEILING	TOTAL
Total at 01.01.2023	**–1,381.4**	**1,408.6**	**–18.4**	**8.8**
Current service cost	–39.5			–39.5
Past service cost				
Gain / losses on settlement				
Interest income / (interest expense)	–28.9	29.4	–0.4	0.2
Administration cost	–0.7			–0.7
Others				
Total cost recognized in personnel expense[1]	**–69.0**	**29.4**	**–0.4**	**–40.0**
Actuarial gains / losses on obligations				
of which changes in financial assumptions	–77.2			–77.2
of which changes in demographic assumptions	3.9			3.9
of which experience adjustments	0.9			0.9
Return on plan assets excluding interest income		65.8		65.8
Change in effect of asset ceiling			18.8	18.8
Total cost recognized in other comprehensive income	**–72.5**	**65.8**	**18.8**	**12.1**
Employee contributions	–29.7	29.7		
Employer contributions		40.0		40.0
Benefits paid resp. deposited	42.3	–42.3		
Business combination				
Others				
Total at 31.12.2023	**–1,510.3**	**1,531.2**		**21.0**
of which active members	*–1,119.8*			
of which pensioners	*–390.5*			
of which reported in Other assets				*21.0*
of which reported in Other liabilities				

1 The component of personnel expense comprising pension and other employee benefit plans totaled CHF 44.9 M, consisting of CHF 40.0 M for defined benefit pension plans and CHF 4.9 M for defined contribution pension plans. Pension obligations and costs are presented as negative amounts.

CHF M	PENSION OBLIGATIONS	PLAN ASSETS	ASSET CEILING	TOTAL
Total at 01.01.2022	**–1,494.4**	**1,554.6**		**60.2**
Current service cost	–52.0			–52.0
Past service cost				
Gain/losses on settlement				
Interest income/(interest expense)	–0.5	0.6		0.0
Administration cost	–0.8			–0.8
Others				
Total cost recognized in personnel expense[1]	**–53.3**	**0.6**		**–52.8**
Actuarial gains/losses on obligations				
of which changes in financial assumptions	229.5			229.5
of which changes in demographic assumptions				
of which experience adjustments	–41.5			–41.5
Return on plan assets excluding interest income		–210.1		–210.1
Change in effect of asset ceiling excluding interest			–18.4	–18.4
Total cost recognized in other comprehensive income	**188.0**	**–210.1**	**–18.4**	**–40.6**
Employee contributions	–28.8	28.8		
Employer contributions		45.0		45.0
Benefits paid resp. deposited	54.6	–54.6		
Business combination	–47.4	44.4		–3.1
Others				
Total at 31.12.2022	**–1,381.4**	**1,408.6**	**–18.4**	**8.8**
of which active members	*–1,041.2*			
of which pensioners	*–340.2*			
of which reported in Other assets				*8.8*
of which reported in Other liabilities				

1 The component of personnel expense comprising pension and other employee benefit plans totaled CHF 57.8 M, consisting of CHF 52.8 M for defined benefit pension plans and CHF 5.1 M for defined contribution pension plans. Pension obligations and costs are presented as negative amounts.

Composition of plan assets

CHF M	31.12.2023	31.12.2022
Quoted market price		
Cash and cash equivalents	63.4	104.0
Equity instruments	603.5	558.3
Debt instruments	568.9	454.8
Real estate	141.5	129.4
Derivatives	–4.4	3.7
Commodities	89.9	96.2
Others		
Total fair value	**1,462.6**	**1,346.3**
Non-quoted market price		
Debt instruments	8.5	7.5
Real estate	47.3	46.2
Others	12.8	8.6
Total fair value	**68.7**	**62.3**
Total plan assets at fair value	**1,531.3**	**1,408.6**
of which registered shares of Vontobel Holding AG		
of which debt instruments of Vontobel		
of which credit balances with Vontobel companies	*60.6*	*86.4*
of which securities lent to Vontobel		

Maturity profile of defined benefit obligation

IN YEARS	31.12.2023	31.12.2022
Weighted average duration of defined benefit obligation	10.1	9.6

Actuarial assumptions

Demographic assumptions (e.g. probability of death, disability or termination) are based on the BVG 2020 actuarial tables (cohort life tables), which draw on observations of large insurance portfolios in Switzerland over a period of several years, and are adapted to reflect conditions specific to Vontobel or empirical values where necessary. The increase in mortality is calculated using the CMI Model. A long-term rate of change (LTR) of 1.25 percent is assumed in this context.

The discount rate is used to determine the present value of pension obligations and is based on the yields on high-quality corporate bonds in Swiss francs. A yield curve is calculated using the yields on this type of corporate bond. The individual pension obligations are discounted using the interest rate on the yield curve that applies to their duration.

In the following table, the item “Discount rate” shows the constant interest rate that would result in the same present value of pension obligations as if a discount were applied using the interest rates on the yield curve.

Actuarial assumptions

IN %	31.12.2023	31.12.2022
Discount rate	1.5	2.3
Rate of interest credit on retirement savings	1.5	2.4
Expected rate of salary increases	1.0	1.0
Expected rate of pension increases		

Estimated contributions to defined benefit pension plans in the following year

CHF M	2023	2022
Employer contributions	40.0	39.8
Employee contributions	29.6	29.2

Plan-specific sensitivities

The following overview shows the impacts of an isolated change in the main actuarial assumptions on the present value of pension obligations. The sensitivity analyses were produced in the same way as in the previous year.

CHF M	DEFINED BENEFIT OBLIGATION 31.12.2023	DEFINED BENEFIT OBLIGATION 31.12.2022
Current actuarial assumptions	1,510.3	1,381.4
Discount rate		
Reduction of 25 basis points	1,550.3	1,415.4
Increase of 25 basis points	1,472.7	1,349.0
Rate of interest credit on retirement savings		
Reduction of 25 basis points	1,497.5	1,369.4
Increase of 25 basis points	1,523.4	1,393.7
Salary increases		
Reduction of 50 basis points	1,502.9	1,374.5
Increase of 50 basis points	1,517.2	1,387.5
Life expectancy		
Reduction in longevity by one year	1,480.9	1,357.5
Increase in longevity by one additional year	1,539.4	1,404.6

35 Other employee benefits payable in the long term

Other employee benefits payable in the long term exist in the form of long service awards and sabbatical leave. As in the case of defined benefit pension plans, actuarial calculations have been performed and an accrued expense recognized for these benefits.

CHF M	31.12.2023	31.12.2022
Accrued expense for long service awards and sabbatical leaves	2.3	2.1

36 Employee share-based benefit program and other deferred compensation

Under the current share participation plan, which was introduced in spring 2004, employees can opt to receive 25 percent of their bonus in the form of bonus shares of Vontobel Holding AG at preferential terms. For bonus amounts exceeding CHF 100,000, it is mandatory for employees to take 25 percent of the bonus in the form of shares. Employees who exercise roles that are defined by the Board of Directors as special positions are required to take 33 percent of their bonus in the form of shares. In the case of members of the Executive Committee, this mandatory portion increases to 50 percent of their total bonus. These shares are awarded at a price corresponding to 80 percent of the relevant market price. The relevant market price is the average of the closing prices in the month of December of the year for which the bonus is paid. The bonus shares are blocked for three years and cannot be disposed of during that period. The fair value of bonus shares at grant date is charged as personnel expense in the period for which the bonus is paid. Employees who receive bonus shares automatically participate in the performance shares program. The right to receive performance shares depends on the performance of the business over the last three years, hence the name “performance shares”, as well as on the number of bonus shares received.

The company’s average return on equity (ROE) and the average risk profile (BIS total capital ratio) are taken into account when determining its performance. A third requirement when receiving performance shares is that they are only paid to employees who remain in an employment relationship on which notice has not been served three years after they received the bonus shares. On the balance sheet date, the expense relating to the performance share program is estimated for the entire vesting period and charged to personnel expense on a pro rata temporis basis. When determining the expense, the estimates for the return on equity, the BIS total capital ratio and the probability that employees will leave the company are updated, while the relevant share price is fixed at the time when the rights to receive performance shares are granted and is not adjusted during the vesting period. It corresponds to the fair value of the Vontobel Holding AG share at this time, less the present value of the dividends expected during the vesting period. Shares of Vontobel Holding AG held by Vontobel in connection with employee share-based benefit programs are recognized in the balance sheet position “Treasury shares” at acquisition costs. When treasury shares are allocated, they are transferred from the balance sheet item “Treasury shares” to “Capital reserve”. At the same time, the accruals related to the bonus shares are transferred to “Capital reserve”.

Blocked shares

	EMPLOYEES		MEMBERS OF THE BOARD OF DIRECTORS AND THE EXECUTIVE COMMITTEE	
NUMBER	2023	2022	2023	2022
Holdings of blocked shares at the beginning of the year	1,229,764	1,200,300	152,536	227,355
Allocated shares and transfers (addition)	383,957	522,344	78,615	56,859
Shares for which the blocking period has lapsed	–346,399	–374,197	–47,152	–131,678
Shares of employees / members who have left the Group and transfers (reduction)	–161,323	–118,683		
Holdings of blocked shares as at the balance sheet date	**1,105,999**	**1,229,764**	**183,999**	**152,536**
Charged as personnel expense in the current reporting period (CHF M)	–0.4	–5.3	0.2	–0.4
Charged as personnel expense in the preceding year (CHF M)	22.9	40.9	5.1	4.5
Average price of shares upon allocation (CHF)	58.70	68.05	67.26	70.45
Fair value of blocked shares as at the balance sheet date (CHF M)	67.8	75.4	10.0	9.4

Deferred compensation outstanding

Right to receive performance shares

Vontobel's compensation concept focuses on the achievement of sustained success. The awarding of performance shares is a long-term component of this compensation system. The number of shares allocated in the current reporting period is calculated on the basis of the number of bonus shares received for the financial year 2019 as well as the performance of the business in the years 2020 to 2022, measured in terms of the average return on equity (ROE) and the average risk profile (BIS total capital ratio). The cost per allocated share recorded as share-based compensation was CHF 53.05 The market price was CHF 58.70 on the allocation date in March 2023 and was CHF 54.50 as at the balance sheet date.

In view of expectations regarding the performance of the business (ROE and BIS total capital ratio), the calculation of the number of rights is based on the assumption that between 112 percent and 137 percent (previous year: between 128 percent and 145 percent) of the original number of bonus shares will be allocated as performance shares to eligible employees in connection with the individual programs.

If the ROE in 2024 and 2025 is 3 percentage points higher (lower) than expected due to an improvement (deterioration) in the performance of the business, between 112 percent and 137 percent (87 percent and 137 percent) of the original number of bonus shares will be granted as performance shares to eligible employees in connection with the individual programs. If the BIS total capital ratio in 2024 and 2025 is 2 percentage points higher (lower) than expected, these factors would be between 112 percent and 137 percent (112 percent and 137 percent). Further information is available at: www.vontobel.com/compensation-report. As a result, a reasonably possible deviation from the expected values would not have a significant impact on Vontobel's future personnel expense.

Performance shares and other deferred compensation

	EMPLOYEES		MEMBERS OF THE EXECUTIVE COMMITTEE	
NUMBER	2023	2022	2023	2022
Holdings of rights at the beginning of the year	1,690,621	1,793,561	177,778	187,498
Allocated rights and transfers (addition)	383,957	522,344	43,100	48,708
Recorded performance shares	–523,572	–614,092	–56,973	–71,644
Forfeited rights and transfers (reduction)	–188,248	–133,211	0	
Change of rights due to modified parameters	–32,558	122,019	–5,905	13,216
Holdings of rights as at the balance sheet date	**1,330,199**	**1,690,621**	**158,000**	**177,778**
CHF M				
Personnel expense recorded over the vesting period for recorded performance shares	27.8	29.7	3.0	3.9
Market value of recorded performance shares on the allocation date	30.7	41.8	3.3	5.2
Charged as personnel expense in the current reporting period	22.4	34.8	4.1	3.7
Cumulative charge to personnel expense for outstanding rights to performance shares as at the balance sheet date	47.9	53.8	5.8	5.8
Estimated personnel expense for the remaining vesting periods including future terminations	22.1	35.2	2.6	3.6
Estimated personnel expense for the remaining vesting periods excluding future terminations	25.2	40.4	2.9	4.1
Other deferred compensation as at the balance sheet date				
In cash	10.2	9.9		
Share-based compensation benefits	38.7	34.2		

37 Compensation of governing bodies

The governing bodies of Vontobel comprise the members of the Board of Directors of Vontobel Holding AG and the members of the Executive Committee. Additional information about the current members of governing bodies can be found in the Corporate Governance section of this Annual Report. The compensation paid to this group of people is listed below. Further information can be found in the Vontobel Compensation Report commencing on page 69 to 79.

Compensation is recognized in the financial year in which it is accrued. It is thus reported according to the accrual principle, irrespective of cash flows. This does not include expense related to performance shares and other deferred compensation, which is recorded during the vesting period. However, once the vesting conditions have been met, the allocation of shares is shown at the point in time when the performance shares are transferred to employees.

Compensation of the members of the Board of Directors of Vontobel Holding AG and Bank Vontobel AG for the financial year

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Short-term employee benefits	2.6	2.6	0.0	0
Post-employment benefits	0.2	0.1	0.0	0
Other long-term benefits				
Termination benefits				
Equity compensation benefits[1]	1.7	1.7	–0.0	0
Total mandate-related compensation for the financial year[2]	**4.5**	**4.5**	**0.0**	**0**
Compensation for additional services				
Total compensation for the financial year	**4.5**	**4.5**	**0.0**	**0**

1 The members of the Board of Directors received a total of 41,334 (previous year: 34,493) shares of Vontobel Holding AG based at the price of CHF 41.86 (per share) as part of their compensation for the year under review. None of those shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
2 Excluding flat-rate compensation for expenses and employer contributions to AHV / IV / ALV

Compensation of the members of the Executive Committee for the financial year

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Base salary	3.8	3.0	0.8	27
Other short-term employee benefits[1]	0.0	0.0	0.0	
Cash component of bonus[2]	2.9	1.6	1.3	81
Post-employment benefits	0.7	0.5	0.1	20
Other long-term benefits				
Termination benefits				
Equity compensation benefits bonus shares[2,3]	1.7	1.6	0.1	6
Total contract-related compensation for the financial year[4]	**9.1**	**6.7**	**2.4**	**36**
Compensation for additional services				
Total compensation for the financial year[5]	**9.1**	**6.7**	**2.4**	**36**
Number of persons receiving compensation	5	4	1	25

1 Other short-term employee benefits comprise claim payments, family allowance payments, preferential interest rates for mortgages and a lump-sum death benefit to a former member of the Executive Committee.
2 Financial year 2023: Subject to the approval of the General Meeting of Shareholders 2024
3 A total of 41,509 (previous year: 33,262) Vontobel Holding AG shares based at the price of CHF 41.86 (per share) were allocated to members of the Executive Committee. These bonus shares entail a conditional right to receive performance shares following the expiry of a three-year vesting period.
4 Excluding flat-rate compensation for expenses and employer contributions to AHV / IV / ALV
5 The expense relating to performance shares is not included in “Total compensation for the financial year”. The allocation of performance shares is shown separately in the table “Allocation of shares from the long-term employee share-based benefit program” included below.

Allocation of shares from the long-term employee share-based benefit program[1]

	2023 CHF M OR NUMBER	2022 CHF M OR NUMBER	CHANGE TO 2022 CHF M OR NUMBER	CHANGE TO 2022 IN %
Market value of performance shares at the date on which they were allocated in CHF M[2]	3.3	4.9	–1.5	–31
Number of performance shares allocated	56,973	71,645	–14,672	–20
Total number of persons receiving compensation	**2**	**2**		
Market value of performance shares to former members of the Executive Committee at the date on which they were allocated in CHF M	*4.2*	*6.6*	*–2.4*	*–36*
Number of performance shares allocated to former members of the Executive Committee	*71,485*	*97,381*	*–25,896*	*–27*
Number of persons receiving compensation (former members of the Executive Committee)	*3*	*4*	*–1*	*–25*

1 The allocated performance shares are a long-term component of the compensation system and, as such, are not included in the previous table “Compensation for the financial year”. Instead, they are shown separately in this table.
2 In accordance with the relevant IFRS rules the cost recorded as equity compensation benefits was CHF 3.0 M (previous year: CHF 3.8 M) and was included on a pro rata basis over the vesting period.

38 Loans to members of governing bodies, major shareholders and related parties

Loans to members of Vontobel's governing bodies and to significant shareholders and the persons and companies related to them may only be granted in accordance with the generally recognized principles of the banking industry. Governing body members are generally treated like employees, particularly with regard to terms and conditions for loans. Loans to members of governing bodies must be approved by the Board of Directors in addition to the bodies responsible for the authorization of loans to employees.

As of December 31, 2023, margin calls fully secured against collateral, guarantees, loans and credits to – and payment undertakings in favor of – members of Vontobel's governing bodies or related parties and significant shareholders totaling CHF 2.4 million (previous year: CHF 0.3 million) were outstanding. No loans to former members of the Board of Directors or members of the Executive Committee were outstanding that were not granted according to standard terms and conditions.

Vontobel has granted mortgage loans to members of its governing bodies and to employees since 1 October 2016. It provides mortgage loans to them at a preferential interest rate of up to 1 percent below the usual interest rate for a maximum loan amount of CHF 1 million per borrower. In addition, as part of a transitional arrangement, Vontobel provides the same terms and conditions in the case of existing mortgage loans to members of its governing bodies and employees from selected third-party banks until maturity. Vontobel does not assume any credit risks or other obligations in this context.

The members of the Board of Directors and the Executive Committee conduct routine banking transactions with Vontobel at the same terms and conditions as employees.

39 Transactions with related parties

Companies and persons are deemed to be related parties if one side is able to control the other or exert a substantial influence on the other's financial or operational decisions.

Transactions with related companies and persons

	31.12.2023	31.12.2022	CHANGE TO 31.12.2022	
	CHF M	CHF M	CHF M	IN %
Receivables	2.4	0.2	2.1	1,050
Liabilities [1]	101.3	142.4	–41.1	–29

1 Reported liabilities consist of current account balances of related companies / persons as well as liabilities from financial hedging transactions. Transactions with related persons are essentially carried out according to standard terms and conditions.

Vontobel Foundation and other members of the shareholder pool
The Vontobel Foundation conducts business with Bank Vontobel AG at preferential terms and conditions.

Pension funds of Vontobel
The assets of these pension funds are managed by Vontobel Asset Management AG.

40 Events after the balance sheet date

Vontobel has decided to serve its clients in two distinct client units focused on private and institutional clients going forward. The client unit Digital Investing will be dissolved. This approach aims to enable clients to take advantage of customized services and investment products. The new structure with the related impacts on segment reporting will be implemented in the first half 2024.

No events have occurred since the balance sheet date that affect the relevance of the information provided in the year 2023 financial statements and would therefore need to be disclosed.

41 Dividend payment

The Board of Directors will propose the payment of a dividend of CHF 3.00 per registered share with a par value of CHF 1.00 to the General Meeting of Shareholders of Vontobel Holding AG on April 9, 2024. This corresponds to a total distribution of CHF 167.9 million.[1]

1 Shares entitled to a dividend as of December 31, 2023.

Segment reporting

42 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. 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 three Client Units and seven Centers of Excellence.

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 Wealth Management Client Unit serves wealthy private clients (including UHNWIs), financial intermediaries, 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 following Centers of Excellence: Investments, Structured Solutions & Treasury, Technology & Services, Communications & Brand Marketing, 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.

For information on changes to the segment reporting, please refer to section 4.1.2 of the accounting principles.

Segment reporting

CHF M	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	2023 TOTAL
Net interest and dividend income	1.8	202.9	3.8	–29.1	179.5
Net fee and commission income	382.1	445.2	–8.0	–32.0	787.3
Trading income and other operating income	0.2	98.8	158.5	80.3	337.8
Total operating income	**384.1**	**746.9**	**154.3**	**19.2**	**1,304.6**
Personnel expense	61.1	220.9	10.6	392.4	685.0
General expense	18.7	42.4	9.7	180.0	250.9
Depreciation of property, equipment (incl. software) and intangible assets	3.1	11.8	0.8	90.4	106.0
Total operating expense	**82.9**	**275.1**	**21.1**	**662.7**	**1,041.9**
Profit before taxes	**301.3**	**471.8**	**133.2**	**–643.5**	**262.7**
Taxes					48.0
Group net profit					**214.7**
of which allocated to shareholders of Vontobel Holding AG					*214.7*
Additional information					
Assets under Management (CHF B)[1]	103.3	97.4	0.6	5.6	206.8
Net new money (CHF B)	–7.6	3.2	0.0	0.9	–3.5
Employees (full-time equivalents)	179.0	749.8	48.5	1,297.4	2,274.8

1 To make the segment reporting more informative, assets under management are now disclosed instead of client assets.

Information on regions[1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES[2]	CONSOLIDATION	2023 TOTAL
Operating income related to external customers	903.9	215.2	60.1	125.3		1,304.6
Property, equipment and intangible assets	904.5	70.0	3.5	1.8		979.8

1 Reporting is based on operating locations.
2 Mainly United Arab Emirates

Segment reporting

CHF M	ASSET MANAGEMENT	WEALTH MANAGEMENT	DIGITAL INVESTING	CENTERS OF EXCELLENCE/ RECONCILIATION	2022 TOTAL
Net interest and dividend income	0.3	116.2	1.6	–16.7	101.4
Net fee and commission income	457.6	422.3	–11.7	–34.3	833.8
Trading income and other operating income	–1.2	107.4	195.8	47.9	349.9
Total operating income	**456.6**	**645.8**	**185.7**	**–3.1**	**1,285.1**
Personnel expense [1]	66.3	198.9	10.4	380.3	655.9
General expense [1]	22.9	34.6	9.7	191.4	258.6
Depreciation of property, equipment (incl. software) and intangible assets	3.0	9.5	0.1	90.6	103.3
Total operating expense	**92.2**	**243.0**	**20.3**	**662.4**	**1,017.7**
Profit before taxes	**364.4**	**402.9**	**165.3**	**–665.3**	**267.4**
Taxes					37.5
Group net profit					**229.8**
of which allocated to shareholders of Vontobel Holding AG					*229.8*
Additional information					
Assets under Management (CHF B)[2]	107.2	92.6	0.5	4.0	204.4
Net new money (CHF B)	–10.6	5.4	–0.0	–0.0	–5.2
Employees (full-time equivalents)[1]	193.2	677.9	52.6	1,290.7	2,214.4

1 The figures were adjusted to reflect the new organizational structure.
2 To make the segment reporting more informative, assets under management are now disclosed instead of client assets.

Information on regions [1]

CHF M	SWITZERLAND	EUROPE EXCL. SWITZERLAND	AMERICAS	OTHER COUNTRIES [2]	CONSOLIDATION	2022 TOTAL
Operating income related to external customers	795.2	280.3	73.7	135.8		1,285.1
Property, equipment and intangible assets	935.6	72.9	2.5	2.5		1,013.6

1 Reporting is based on operating locations.
2 Mainly United Arab Emirates

Scope of consolidation

43 Subsidiaries and associated companies

Major subsidiaries

	REGISTERED OFFICE	BUSINESS ACTIVITY	CURRENCY	PAID-UP SHARE CAPITAL M	SHARE OF VOTES AND CAPITAL IN %
Vontobel Holding AG	Zurich	Holding	CHF	56.9	Parent company
Vontobel Beteiligungen AG	Zurich	Holding	CHF	10.0	100
Bank Vontobel AG	Zurich	Bank	CHF	149.0	100
Bank Vontobel Europe AG	Munich	Bank	EUR	40.5	100
Vontobel Swiss Financial Advisers AG	Zurich	Wealth management	CHF	3.5	100
Vontobel Wealth Management (Hong Kong) Ltd. in liquidation	Hong Kong	Wealth management	HKD	280.0	100
Vontobel Wealth Management Società di Intermediazione Mobiliare S.p.A.	Milan	Wealth management	EUR	5.0	100
Vontobel Fonds Services AG	Zurich	Fund management	CHF	4.0	100
Vontobel Asset Management AG	Zurich	Portfolio management	CHF	20.0	100
Vontobel Asset Management S.A.	Luxembourg	Fund & Portfolio management	EUR	2.6	100
Vontobel Asset Management UK Holdings Ltd.	London	Holding	GBP	26.0	100
TwentyFour Asset Management LLP	London	Portfolio management	GBP	4.4	100
Vontobel Asset Management, Inc.	New York	Portfolio management	USD	6.8	100
Vontobel (Hong Kong) Ltd. (previous Vontobel Asset Management Asia Pacific Limited)	Hong Kong	Financial product distribution / advisory	HKD	7.0	100
Vontobel Asset Management Pte. Ltd.	Singapore	Holding	SGD	0.3	100
Vontobel Asset Management Australia Pty. Ltd.	Sydney	Portfolio management	AUD	1.0	100
Vontobel Securities AG	Zurich	Brokerage	CHF	2.0	100
Vontobel Financial Products GmbH	Frankfurt	Issues	EUR	0.05	100
Vontobel Financial Products Ltd.	Dubai	Issues	USD	2.0	100
Vontobel Pte. Ltd.	Singapore	Services for EAMs / Distribution deritrade® / Financial Advisor	SGD	0.3	100
Vontobel Limited	Hong Kong	Brokerage	HKD	25.0	100

The share of voting rights held corresponds to the equity interest held.

Only the shares of Vontobel Holding AG are listed on the Swiss Exchange (SIX). Please see page 10 and 273 for more detailed information.

In the case of regulated subsidiaries, part of the capital is not available for dividends or transfers due to regulatory requirements (e.g. Basel III). These restrictions do not have any material impact on Vontobel's activities.

Associated companies

	REGISTERED OFFICE	BUSINESS ACTIVITY	CURRENCY	PAID-UP SHARE CAPITAL M	SHARE OF VOTES IN %	CAPITAL IN %
Deutsche Börse Commodities GmbH	Frankfurt	Issues	EUR	1.0	14.5	16.2
Yapeal AG	Zurich	Digital financial service provider	CHF	0.7	2.3	12.6

Companies fully consolidated for the first time
None.

Changes to the scope of consolidations
The merger of the former Vontobel Swiss Wealth Advisors AG (VSWA) with Vontobel SFA (formerly UBS Swiss Financial Advisers AG) was completed in the first half of 2023.

44 Unconsolidated structured entities

As an active asset manager, Vontobel manages a wide range of collective investment instruments. Vontobel's investment funds are classed as structured entities according to IFRS 12. Since Vontobel – as agent – acts primarily in the interests of investors, the investment funds are not consolidated. Shares of its proprietary investment funds are treated as financial instruments. There are no contractual or constructive obligations to provide financial or other forms of support for the investment funds.

Under the terms of the relevant investment regulations, Vontobel manages the fund assets on behalf of the investors who invested capital in the respective investment funds. Vontobel also performs various administrative functions for the investment funds. Vontobel receives fees for providing these services; the level of fees is in line with normal market rates. As of December 31, 2023, the volume of assets in Vontobel investment funds totaled CHF 51.0 billion (previous year: CHF 52.9 billion). In the financial year 2023, Vontobel generated gross income of CHF 445.6 million (previous year: CHF 504.5 million) from the provision of services to these investment funds.

The following table shows the carrying amount of the shares of these investment funds held by Vontobel. The carrying amount corresponds to the maximum potential loss.

CHF M	TRADING PORTFOLIO ASSETS	OTHER FINANCIAL ASSETS AT FAIR VALUE	TOTAL
Carrying amount as of 31.12.2022	2.3	25.7	28.0
Carrying amount as of 31.12.2023	**2.9**	**41.2**	**44.1**

Accounting differences

45 Main differences between IFRS and Swiss GAAP

Vontobel's consolidated financial statements were prepared in accordance with the IFRS Accounting Standards (IFRS). The main differences between IFRS and Swiss GAAP (Banking Ordinance, FINMA Accounting Ordinance and FINMA Circular 20/01) that are of relevance to Vontobel are as follows:

Financial investments
The financial instruments included in financial investments are carried at fair value under IFRS. In the case of equity instruments, dividends are recognized in the income statement and all other income components are recognized in other comprehensive income. Realized gains and losses are not transferred to the income statement. In the case of debt instruments, changes in fair value are recognized in other comprehensive income. The change in expected credit losses is shown in the income statement, with the offsetting entry made in other comprehensive income. If a debt instrument is sold, the expected credit losses and cumulative changes in fair value are transferred from other comprehensive income to the income statement. Interest is accrued in the period in which it is earned using the effective interest method and recognized in the income statement. Under Swiss GAAP, equity instruments are classed as participations and are recognized at cost less economically necessary valuation adjustments. Debt instruments are valued according to the lower of cost or market principle. Interest income and dividend income, changes in the carrying amount and realized gains and losses are recognized through profit or loss.

Other financial liabilities measured at fair value through profit and loss (fair value option)
Under IFRS, Vontobel applies the fair value option for issued products. They are carried at fair value in the balance sheet, and income is recognized in the income statement on an ongoing basis. The impact of the change in own credit risk of financial liabilities, for which the fair value option is applied, is generally recorded in other comprehensive income. However, if this treatment would create or enlarge an accounting mismatch in profit or loss, the corresponding impact is recorded in profit or loss. This is the case at Vontobel. Under Swiss GAAP, the fair value option can also be applied for these positions. Under Swiss GAAP, changes in fair value due to a change in own credit risk are recorded in the compensation account.

Goodwill
IFRS stipulates that goodwill cannot be amortized and must, instead, be tested for impairment at least once annually. Under Swiss GAAP, goodwill is amortized on a straight-line basis over five years. In justified cases, the amortization period can be a maximum of 10 years.

Fair value hedges
Vontobel uses interest rate swaps to hedge the fair value of mortgages and issued AT1 bonds (see note 31). Under IFRS, the change in fair value of interest rate swaps is recognized in the income statement. The change in the fair value of hedged positions due to the hedged risk leads to an adjustment in the carrying amount of the corresponding positions and is also recognized in the income statement. Under Swiss GAAP, the change in fair value of the effective portion of interest rate swaps is recognized in the compensation account. The carrying amount of the hedged positions is not adjusted.

Leases
Under IFRS, at the lease commencement date, Vontobel, as lessee, recognizes a lease liability corresponding to the present value of lease payments over the lease term. At the same time, a right to use the underlying asset, which corresponds to the lease liability plus prepaid lease payments, directly attributable costs and costs for any reinstatement obligations, is capitalized.

After initial recognition, the interest component on the lease liability is accrued in the period in which it is incurred using the effective interest method. The lease liability is adjusted to reflect interest recognized and lease payments made. The right-of-use asset is depreciated on a straight-line basis over the lease term.

Under Swiss GAAP, operating lease expenses are charged to the income statement in the period in which they are incurred.

Pension funds
Under IFRS, pension obligations and pension expenses are determined based on the projected unit credit method (see note 34).

Under Swiss GAAP, pension obligations and pension expenses are determined based on the financial statements of the pension plan. A pension asset is recorded if a statutory overfunding of a pension plan leads to a future economic benefit. A pension obligation is recorded if a statutory underfunding of a pension plan leads to a future economic obligation. Employer contributions as well as changes in the value of the pension assets or obligations are recognized as pension expenses.

Extraordinary profit
Under IFRS, all items of income and expense are allocated to ordinary operating activities. Under Swiss GAAP, items of income and expense are classified as extraordinary if they are not recurring and are not related to operating activities.

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2024

Report of the statutory auditor

Report on the audit of the consolidated financial statements

Opinion
We have audited the consolidated financial statements of Vontobel Holding AG and its subsidiaries (the Group), which comprise the consolidated balance sheet as at 31 December 2023, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements (pages 154 to 247) give a true and fair view of the consolidated financial position of the Group as at 31 December 2023 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and comply with Swiss law.

Basis for opinion
We conducted our audit in accordance with Swiss law, International Standards on Auditing (ISA) and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report. We are independent of the Group in accordance with the provisions of Swiss law, together with the requirements of the Swiss audit profession, as well as those of the International Ethics Standards Board for Accountants’ *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the “Auditor's responsibilities for the audit of the consolidated financial statements” section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the consolidated financial statements.

Fair value of financial instruments

Area of focus	Fair value is defined as the amount 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. Fair values can be based on quoted prices in active markets (level 1) or on a valuation model where significant input parameters can be observed directly or indirectly in the market (level 2), or on a valuation model where significant input parameters cannot be observed in the market (level 3). Valuations based on models are influenced to a significant extent by the assumptions applied, including interest rates, forward rates and swap rates, spread curves, volatility and estimates of future cash flows. The determination of these assumptions involves the exercise of significant judgment. In its consolidated balance sheet as of 31 December 2023, Vontobel Holding AG reports total financial assets at fair value of CHF 15.8 billion and financial liabilities at fair value of CHF 13.9 billion. In view of the inherent exercise of judgment involved in the determination of these assumptions and the significance of these balance sheet items in the consolidated financial statements of Vontobel Holding AG, their valuation is of particular importance from an audit perspective. The corresponding accounting principles applied are explained by Vontobel Holding AG on pages 163 to 164 and 210 to 215 of the annual report. Please also refer to notes 10, 12, 13 and 27 of the notes to the consolidated financial statements.
Our audit response	Our audit procedures included an evaluation of the design and the operational effectiveness of relevant key controls over the calculation of fair value. In particular, they comprised the approval processes for products and valuation models, as well as the independent price verification. Using comparisons with third-party sources, we tested the fair values that were directly available in an active market. Furthermore, we performed procedures to evaluate the assumptions used and tested the valuation of financial instruments using independent valuation models. Based on a sample we reperformed the valuation of financial instruments. Our audit procedures did not lead to any reservations concerning the fair value measurement of financial instruments.

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Goodwill and other intangible assets

Area of focus	Vontobel Holding AG accounts for business combinations using the acquisition method, whereby the net assets of the acquired business are measured at the fair value of the consideration at the acquisition date. If the fair value of the consideration exceeds the fair value of the net assets acquired, goodwill is recognized and assigned to one or more cash-generating units. Goodwill is tested annually for impairment or more frequently if indicators of impairment are present. The valuation of net assets acquired that is carried out in connection with the acquisition of a subsidiary, the allocation of goodwill acquired to cash-generating units, and the recoverable value that is determined as part of the impairment test, are influenced to a significant extent by the assumptions that are used, the determination of which involves the exercise of significant judgment. The client relationships and brands acquired during business combinations are recognized as other intangible assets and depreciated over their estimated useful life. If events or circumstances indicate that the carrying amount may be impaired, an impairment test is carried out. The fair values of these intangible assets are determined on the basis of valuation methods that use various input parameters that cannot be observed. The determination of these input parameters and the estimation of useful life involve the exercise of significant judgment. In its consolidated balance sheet as of 31 December 2023, Vontobel Holding AG reports goodwill totaling CHF 526.4 million and other intangible assets totaling CHF 87.2 million. Due to the judgment that goes into the identification and the valuation of goodwill and other intangible assets this is an area of particular importance from an audit perspective. The corresponding accounting principles applied are explained by Vontobel Holding AG on pages 162 and 165 of the annual report. Please also refer to note 17 of the notes to the consolidated financial statements.
Our audit response	During the course of our audit, we examined the valuation model used for the goodwill impairment test as well as significant assumptions. In particular, they comprised valuation multipliers related to assets under management. We assessed these assumptions on the basis of current market conditions. Our audit procedures did not lead to any reservations concerning the recognition and measurement of goodwill and other intangible assets.

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Other information
The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor’s reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors’ responsibilities for the consolidated financial statements
The Board of Directors is responsible for the preparation of the consolidated financial statements, which give a true and fair view in accordance with IFRS Accounting Standards and the provisions of Swiss law, and for such internal control as the Board of Directors determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Board of Directors is responsible for assessing the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law, ISA and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located on EXPERTsuisse’s website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

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Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the consolidated financial statements according to the instructions of the Board of Directors.

We recommend that the consolidated financial statements submitted to you be approved.

Ernst & Young Ltd

Andreas Blumer
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Philipp Müller
(Qualified Signature)

Licensed audit expert

Vontobel Holding AG

Additional information

Review of business activities

Vontobel Holding AG, which is headquartered in Zurich, generated a net profit of CHF 226.8 million in the financial year 2023, compared to CHF 298.6 million in the prior year. The decrease in profit of 24 percent was primarily attributable to lower dividend income from participations, which declined by 22 percent from CHF 340.9 million in 2022 to CHF 266.9 million. The holding company's income mainly stems from prior-year profits, i.e. dividends distributed by its operational subsidiaries in Switzerland and abroad.

Operating income subsequently decreased by 20 percent to CHF 316.7 million. While some subsidiaries paid higher dividends to Vontobel Holding AG in the year under review, other important operational subsidiaries reduced their distributions with the aim, among other things, of strengthening their capital position. Income from securities, commission and trading decreased by 9 percent to CHF 49.5 million. Personnel and general expense rose by 19 percent to CHF 63.2 million.

The increase of 120 percent in interest income to CHF 20.2 million is attributable to the general rise in interest rates. At the same time, financial expense rose by 101 percent to CHF 33.3 million for the same reason, as well as due to the restructuring of financial debt.

On September 29, 2023, Vontobel Holding AG successfully placed two new Additional Tier 1 bonds (AT1 bonds) with a total nominal value of USD 400 million in two tranches of USD 200 million each with funds managed by Apollo Global Management. The CHF 450 million Additional Tier 1 (AT1) bond with a coupon of 2.625 percent issued by Vontobel Holding AG in June 2018 to partially finance the acquisition of Notenstein La Roche Privatbank AG was redeemed on October 31, 2023.

Vontobel Holding AG reported shareholders' equity of CHF 1,306.4 million as of December 31, 2023 (December 31, 2022: CHF 1,249.8 million). The company's share capital was unchanged at CHF 56,875 million, consisting of 56,875,000 registered shares with a par value of CHF 1.00 each. Of this total, 55,968,110 shares were entitled to a dividend as of the balance sheet date.

The Board of Directors of Vontobel Holding AG will propose the distribution of a dividend of CHF 3.00 per registered share – unchanged compared to the previous year – to the General Meeting of Shareholders of April 9, 2024.

Key figures

Key figures

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Net profit	226.8	298.6	–71.8	–24
Net profit per registered share in CHF [1]	4.05	5.33	–1.28	–25
Dividend in percent of share capital [2]	300	300	0	0
Dividend per registered share in CHF [2]	3.00	3.00	0.00	0
Shareholders' equity (before distribution of profits) at balance sheet date	1,306.4	1,249.8	56.6	5
Shareholders' equity per registered share in CHF at balance sheet date [1]	23.34	22.32	1.02	4
Average return on equity in %	19.0	27.4		
Operating income	316.7	395.8	–79.0	–20
Dividend income from participations	266.9	340.9	–73.9	–22
Personnel and general expense	63.2	52.9	10.3	19
Depreciation and valuation adjustments	14.1	23.5	–9.4	–40
Financial expense	33.3	16.5	16.7	101
Operating income before taxes	228.4	305.6	–77.2	–25

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	CHANGE TO 31.12.2022 IN %
Total assets	2,410.1	2,045.2	364.9	18
Share capital	56.9	56.9	–0.0	0
Debt issued	336.7	450.0	–113.3	–25
Participations	1,843.8	1,829.0	14.8	1

1 Basis: dividend-bearing shares at end of year
2 Financial year 2023: As per the proposal submitted to the General Meeting of Shareholders

Income statement

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	CHANGE TO 2022 IN %
Dividend income from participations	266.9	340.9	–73.9	–22
Securities income, fee and commission income and trading income[1]	49.5	54.7	–5.1	–9
Other ordinary income	0.3	0.0	0.3	
Gains on the sale of financial investments[1]		0.2	–0.2	–100
Operating income	**316.7**	**395.8**	**–79.0**	**–20**
Securities and fee and commission expense	0.6	0.3	0.2	67
Other ordinary expense[1]		9.2	–9.2	–100
Operating expense	**0.6**	**9.5**	**–9.0**	**–95**
Net operating income	**316.2**	**386.2**	**–70.1**	**–18**
Personnel costs	9.1	5.8	3.3	57
Employee benefits and pension fund	1.1	0.6	0.5	83
Personnel expense	**10.2**	**6.5**	**3.7**	**57**
Occupancy expense, furniture and equipment	0.3	0.3		
PR, marketing, annual report, consulting and audit fees	49.6	24.1	25.5	106
Other business and office expenses	3.1	22.1	–19.0	–86
General expense	**53.0**	**46.4**	**6.6**	**14**
Operating income before financial income, taxes, depreciation and valuation adjustments	**253.0**	**333.4**	**–80.4**	**–24**
Depreciation of property and equipment		0.6	–0.6	–100
Impairments on participations	17.8	23.7	–5.8	–24
Reversal of impairments on participations	3.7	0.8	3.0	375
Depreciation and valuation adjustments	**14.1**	**23.5**	**–9.4**	**–40**
Operating income before financial income and taxes	**238.9**	**309.9**	**–71.0**	**–23**

1 Due to the application of a change in accounting principles, realized gains on treasury shares have been recognized through equity since 2023.

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	 IN %
Operating income before financial income and taxes	**238.9**	**309.9**	**–71.0**	**–23**
Interest income	15.7	9.2	6.6	72
Interest income, Group companies	*15.7*	*9.2*	*6.6*	*72*
Interest income, other	*0.0*	*0.0*	*0.0*	
Interest and dividend income from financial investments	4.5	0.0	4.5	
Foreign exchange income	2.6	3.2	–0.5	–16
Financial income	**22.8**	**12.3**	**10.5**	**85**
Interest expense	33.3	16.5	16.7	101
Interest expense, Group companies	*15.2*	*4.7*	*10.4*	*221*
Interest expense, debt issued & private placements	*18.1*	*11.8*	*6.3*	*53*
Financial expense	**33.3**	**16.5**	**16.7**	**101**
Operating income before taxes	**228.4**	**305.6**	**–77.2**	**–25**
Non-operating income	0.0	0.0	–0.0	
Ordinary income before taxes	**228.4**	**305.6**	**–77.2**	**–25**
Extraordinary / one-off income or income unrelated to the reporting period	0.3	0.3	0.1	33
Extraordinary / one-off expense or expense unrelated to the reporting period[1]	0.8	5.1	–4.4	–86
Extraordinary / one-off income and income unrelated to the reporting period	**–0.4**	**–4.9**	**4.4**	**90**
Net profit for the year before taxes	**228.0**	**300.8**	**–72.8**	**–24**
Direct taxes	**1.2**	**2.2**	**–1.0**	**–45**
Net profit for the year	**226.8**	**298.6**	**–71.8**	**–24**

1 2022: Includes costs arising from the review and refinement of the Group contribution of CHF 4.4 M as well as intellectual property rights of CHF 0.6 M from the prior year.

Balance sheet

Assets

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Current assets				
Total cash and short-term holdings of assets with a market price	1.7	0.7	1.0	143
Current accounts banks, Group companies	*1.7*	*0.7*	*1.0*	*143*
Other short-term receivables	11.0	8.7	2.3	26
Due from Group companies, other	*7.0*	*7.0*	*0.0*	*0*
Other short-term receivables	*4.0*	*1.7*	*2.3*	*135*
Accrued income and deferred expenses	7.7	0.9	6.8	756
Total current assets	**20.4**	**10.3**	**10.1**	**98**
Non-current assets				
Financial assets, Group companies	545.9	205.9	340.0	165
Participations	1,843.8	1,829.0	14.8	1
Total fixed assets	0.0	0.0	0.0	
Total intangible assets	0.0	0.0	0.0	
Total non-current assets	**2,389.7**	**2,034.9**	**354.8**	**17**
Total assets	**2,410.1**	**2,045.2**	**364.9**	**18**
of which subordinated assets due from Group companies	*7.0*	*7.0*		

Liabilities and Shareholders' equity

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Liabilities				
Current liabilities				
Short-term interest-bearing liabilities	674.2	310.4	363.8	117
Due to banks, Group companies	*499.2*	*310.4*	*188.8*	*61*
Due to Group companies, other	*175.0*		*175.0*	
Other short-term liabilities	66.1	3.5	62.6	
Accrued expenses and deferred income	1.6	6.6	–5.0	–76
Total current liabilities	**742.0**	**320.5**	**421.5**	**132**
Long-term liabilities				
Long-term interest-bearing liabilities	336.7	450.0	–113.3	–25
Debt issued	*336.7*	*450.0*	*–113.3*	*–25*
Provisions	25.0	25.0		
Total long-term liabilities	**361.7**	**475.0**	**–113.3**	**–24**
Total liabilities	**1,103.6**	**795.5**	**308.2**	**39**
Shareholders' equity				
Share capital	56.9	56.9	–0.0	0
Statutory capital reserve	–2.0	0.8	–2.8	–350
Reserves from capital contributions	*–2.0*	*0.8*	*–2.8*	*–350*
Statutory retained earnings	70.3	88.9	–18.6	–21
General statutory retained earnings	*32.2*	*32.2*		
Reserves for treasury shares	*38.1*	*56.7*	*–18.6*	*–33*
Voluntary retained earnings	1,236.8	1,160.5	76.4	7
Retained earnings approved by resolution	*41.9*	*23.3*	*18.5*	*79*
Retained earnings brought forward	*968.2*	*838.5*	*129.6*	*15*
Net profit for the year	*226.8*	*298.6*	*–71.8*	*–24*
Own shares of capital	–55.6	–57.3	1.7	3
Total shareholders' equity	**1,306.4**	**1,249.8**	**56.6**	**5**
Total liabilities and shareholders' equity	**2,410.1**	**2,045.2**	**364.8**	**18**

Notes to the financial statements

Name, legal form and domicile of the company
Vontobel Holding AG, Zurich

The nominal capital amounts to CHF 56.875 million, consisting of 56.875 million registered shares with a par value of CHF 1.00 each (previous year: nominal capital of CHF 56.875 million, 56.875 million registered shares).

Easing of requirements for the notes to the separate financial statements of Vontobel Holding AG
Vontobel prepares its consolidated financial statements in accordance with the IFRS Accounting Standards (IFRS), which are published by the International Accounting Standards Board (IASB). Consequently, Vontobel Holding AG is exempt from numerous disclosure requirements in the statutory separate financial statements.

Applied accounting principles

General principles
The accounting principles are based on the requirements set out in the Swiss Code of Obligations.

Transactions concluded as of the balance sheet date are recorded on a daily basis. Spot transactions concluded but not yet settled as of the balance sheet date are recognized according to the trade date principle. To ensure that the principle of substance over form is applied, all expenses and income are recognized on an accrual basis up to the balance sheet date.

In valuations, the more prudent of two available values is always taken into account. Valuations are performed based on the assumption that the company will continue to operate as a going concern.

In principle, the offsetting of assets and liabilities or of expense and income is not carried out (except in the case of transactions of the same type with the same counterparty, the same maturity and the same currency that cannot lead to a counterparty risk).

Foreign currency transactions during the year are converted at the applicable exchange rate on the transaction date. At the balance sheet date, monetary assets and liabilities denominated in a foreign currency are translated at the closing exchange rates, and unrealized exchange rate differences are recognized in the income statement. Non-monetary items carried at historical cost in a foreign currency are translated at the historical exchange rate.

Other principles
Securities in current assets are valued at the current market value.

The item “Other short-term receivables” includes all receivables from Vontobel companies and third parties. It is valued at nominal value less any valuation adjustments for identified risks.

The item “Non-current assets” includes all participations, property and equipment, and intangible assets, as well as financial assets with a residual term of over one year. Property and equipment as well as intangible assets are valued at acquisition costs less any depreciation. They are depreciated on a straight-line basis over their estimated useful life. Financial assets are valued at nominal value less any valuation adjustments for identified risks. Participations are valued according to the individual valuation principle. The value of participations is determined based in particular on calculations of the net asset value and income value, while also taking account of fluctuations in exchange rates. If the calculated value is lower than the previously stated value, an impairment is recognized through profit or loss. A reversal of the impairment up to the acquisition cost is also recognized through profit or loss.

The item “Short-term liabilities” includes all liabilities on demand and fixed-term liabilities at Swiss and foreign banks and non-banks, as well as private placements with a term of less than one year. The items “Accrued income and deferred expenses” and “Accrued expenses and deferred income” include all assets and liabilities resulting from the accrual of interest and other income and expenses. Amounts not due for payment until the following year, such as taxes, performance-based compensation components or audit fees, are charged to the year in which they originated in accordance with the accrual principle.

“Long-term liabilities” includes liabilities with a residual term of over one year, debt instruments issued and provisions. Debt issued and private placements with a term of more than one year are recognized at nominal value. Any premiums / discounts are recorded in “Other liabilities” / “Other assets” and are released through profit or loss by the final maturity or the first possible redemption date.

The company’s nominal share capital is recognized in “Share capital”. The item “Statutory capital reserves” comprises capital paid in by shareholders, such as agio. The item “Statutory retained earnings” includes capital generated by the company and that is increased annually in accordance with legislative and statutory requirements.

The item "Reserves for treasury shares" corresponds to the registered shares of Vontobel Holding AG held by subsidiaries, which are valued at the acquisition price. In the item "Own shares of capital", registered shares held by Vontobel Holding AG as treasury shares are deducted from shareholders' equity at the acquisition price. Gains on the sale of treasury shares were recognized through profit or loss until 2022; since 2023, they have been recognized through equity.

The expense for shares of Vontobel Holding AG that are allocated to employees as part of the annual bonus (bonus shares) are charged to personnel expense in the year in which the relevant performance was delivered. The expense for shares of Vontobel Holding AG that are allocated to employees as part of the long-term share participation plan (performance shares) are charged to personnel expense on a pro rata temporis basis over the vesting period. Liabilities arising from shares that have not yet been allocated are recognized at market value in the item "Other short-term liabilities". Refer to the Compensation Report, page 59 to 62. for further information regarding the share participation plan.

Net release of hidden reserves and replacement reserves

No significant amount of hidden reserves was released. There are no replacement reserves.

Due from and to governing bodies

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Due from governing bodies				
Due to governing bodies	3.1	3.2	–0.1	–3

For information on compensation awarded to members of the Board of Directors and the Executive Committee as well as their shareholdings, refer to the Compensation Report, page 70 to 71, page 76 to 79 , note 36 and note 37.

For information on loans to governing bodies, refer to the Compensation Report, page 71, page 79 and note 38.

Direct taxes

	2023 CHF M	2022 CHF M	CHANGE TO 2022 CHF M	IN %
Income tax	0.7	2.0	–1.3	–65
Tax on capital	0.5	0.2	0.3	150
Total	**1.2**	**2.2**	**–1.0**	**–45**
Status of tax assessment	2020	2020		

Debt instruments issued

Please also refer to note 22 of the Notes to the consolidated financial statements. First issue of private placements was made in second half of the year 2023.

Collateral provided for liabilities of third parties and contingent liabilities

	31.12.2023 CHF M	31.12.2022 CHF M	CHANGE TO 31.12.2022 CHF M	IN %
Guarantees				
Pledges				
Collateral assignments				
Guarantee commitments [1]	11,027.3	8,439.4	2,587.9	31
Total	**11,027.3**	**8,439.4**	**2,587.9**	**31**
of which guarantee commitments for Group companies	*10,966.2*	*8,378.6*	*2,587.6*	*31*

1 Guarantee commitments mainly encompass guarantees for certificates issued as well as letters of comfort and a capital support agreement in favour of Group companies.
The company forms part of Vontobel's Swiss value added tax (VAT) group and has a joint liability to the tax authorities for the VAT liabilities of the entire group.

Assets used as collateral for own liabilities and assets for which title has been reserved
As of December 31, 2023, assets totaling CHF 0.7 million (December 31, 2022: CHF 0.7 million) were used as collateral to secure own liabilities to subsidiaries.

Liabilities under employee benefit schemes
Insurance contributions that have not yet been settled totaled CHF 0.4 million as of December 31, 2023 (December 31, 2022: CHF 0.0 million).

Vontobel Holding AG did not draw any loans from employee benefit schemes.

Participations
For information on principal participations, refer to the consolidated financial statements on page 244.

Major shareholders and participations held by governing bodies
For information on shareholders pursuant to Art. 663c of the Swiss Code of Obligations, refer to Corporate Governance on page 31 and the Compensation Report, page 71 and page 79.

Participation rights and options
For information on allocated participation rights from the share participation plan, refer to the consolidated financial statements on page 235 to 236.

Full-time equivalents
In the yearcurrent reporting period, the annual average number of full-time positions was 21.6 FTEs (full-time equivalents). In the previous year, the figure was 8.7 FTEs.

Acquisition, sale and holdings of treasury shares

	NUMBER	CHF M
Balance as of 01.01.2022	986,700	76.2
Purchases	828,056	51.4
Decreases	–933,888	–70.6
Balance as of 31.12.2022	880,868	57.0
Purchases	583,744	33.9
Decreases	–557,722	–35.6
Balance as of 31.12.2023 [1]	**906,890**	**55.3**

1 Treasury shares were offset against shareholders' equity.

Since 2023, realized gains on treasury shares have been recognized through equity; until 2022, they were recognized through profit or loss (2023: loss of CHF 2.8 million, 2022: loss of CHF 9.4 million).

No repurchase agreements for registered shares of Vontobel Holding AG were in place as of the balance sheet date (previous year: 0 registered shares).

For information on the acquisition, sale and holdings of treasury shares, including transactions and holdings in the case of subsidiaries, refer to note 25 of the consolidated financial statements.

Capital band or conditional capital increase
Refer to note 25 of the consolidated financial statements.

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 financial statements for 2023 and would therefore need to be disclosed.

Proposal of the Board of Directors

The Board of Directors proposes that the following amount available to the General Meeting of Shareholders be appropriated as follows:

CHF M	
Net profit for the year	226.8
Retained earnings prior year	968.2
Retained earnings	**1,195.0**
Retained earnings approved by resolution	41.9
Reserves from capital contributions	–2.0
General statutory reserves [1]	20.8
Distributable statutory reserves	**18.8**
Own shares of capital [2]	–55.6
At the disposal of the General Meeting of Shareholders	**1,200.0**
Total dividend [3]	**167.9**
Allocation to general statutory retained earnings	
Allocation to retained earnings by resolution	
Carried forward to the new accounting period	1,032.1
At the disposal of the General Meeting of Shareholders	**1,200.0**

1 Eligible general statutory reserves that exceed the statutory minimum requirement (Art. 671 para. 2, 3 and 4 of the Swiss Code of Obligations)
2 Restriction on the distribution of dividends equivalent to the cost of acquiring own shares (Art. 959a Abs. 2 Ziff. 3 lit. e of the Swiss Code of Obligations)
3 Depends on the number of dividend-entitled shares, max. 56.875 M, as of December 31, 2023. The treasury shares held by Vontobel Holding AG at the time of distribution of the dividend are not entitled to a dividend.

Dividend payment

If the proposal is approved, the dividend will be distributed as follows:

DIVIDEND PER REGISTERED SHARE WITH A PAR VALUE OF CHF 1.00 (IN CHF)	3.00
Coupon no.	24
Ex-dividend date	April 11, 2024
Record date	April 12, 2024
Payment date	April 15, 2024

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To the General Meeting of
Vontobel Holding AG, Zurich

Zurich, 7 February 2024

Report of the statutory auditor

Report on the audit of the financial statements

Opinion
We have audited the financial statements of Vontobel Holding AG (the Company), which comprise the balance sheet as at 31 December 2023 and the statement of income for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements (pages 258 to 264) comply with Swiss law and the Company's articles of incorporation.

Basis for opinion
We conducted our audit in accordance with Swiss law and Swiss Standards on Auditing (SA-CH). Our responsibilities under those provisions and standards are further described in the "Auditor's responsibilities for the audit of the financial statements" section of our report. We are independent of the Company in accordance with the provisions of Swiss law and the requirements of the Swiss audit profession, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the "Auditor's responsibilities for the audit of the financial statements" section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the financial statements.

Building a better working world

Valuation of participations

Area of focus	Vontobel Holding AG values participations individually at the lower of historical cost or at its impaired value. In subsequent valuations, impairments are recognized for any loss in value. Vontobel Holding AG identifies impairment by comparing the carrying amount of the participation with the recoverable amount, which is calculated based on the net asset value or income value. This calculation is based on assumptions (e.g. future income streams, discount rates), the determination of which involves the exercise of significant judgment. In its financial statements as of 31 December 2023, Vontobel Holding AG reports the carrying amount of participations of CHF 1.8 billion, corresponding to 76.5% of total assets. In view of the inherent judgment involved in the determination of these assumptions and the significance of the balance sheet item in the financial statements of Vontobel Holding AG, the valuation of participations is of particular importance from an audit perspective. The accounting principles applied are explained by Vontobel Holding AG on page 262 of the annual report.
Our audit response	We assessed the valuation methods used and analyzed the calculations made by management. We did so with a focus on the assumptions made by the company in the context of the valuations and thus evaluated management's assessment of impairment. Furthermore, we assessed the presentation and disclosures in the financial statements as of 31 December 2023. Our audit procedures did not lead to any reservations concerning the valuation of participations.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the stand-alone financial statements, the compensation report and our auditor's reports thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Board of Directors' responsibilities for the financial statements
The Board of Directors is responsible for the preparation of the financial statements in accordance with the provisions of Swiss law and the Company's articles of incorporation, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Swiss law and SA-CH will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on EXPERTsuisse's website at: https://www.expertsuisse.ch/en/audit-report. This description forms an integral part of our report.

Report on other legal and regulatory requirements

In accordance with Art. 728a para. 1 item 3 CO and PS-CH 890, we confirm that an internal control system exists, which has been designed for the preparation of the financial statements according to the instructions of the Board of Directors.

Furthermore, we confirm that the proposed appropriation of available earnings complies with Swiss law and the Company's articles of incorporation. We recommend that the financial statements submitted to you be approved.

Ernst & Young Ltd

Andreas Blumer
(Qualified Signature)

Licensed audit expert
(Auditor in charge)

Philipp Müller
(Qualified Signature)

Licensed audit expert

Vontobel Advisory Council: Sparring partners and ambassadors for Vontobel

The Vontobel Advisory Council is a group of individuals with a business or political background from Switzerland and some of Vontobel's focus markets who are selected to act as sparring partners to the Executive Committee and as ambassadors for Vontobel. Their external expertise and experience is to be put to targeted use to identify trends and to discuss Vontobel's further development.

The Vontobel Advisory Council, which meets twice annually, currently has the following members:

Herbert J. Scheidt,
Chair of the Advisory Council since 2022, has played a key role and was instrumental in shaping the development of Vontobel and driving its success since 2002: He served as Chief Executive Officer from 2002 to 2011 and as Chairman of the Board of Directors from 2011 to 2022. He has more than 40 years of experience in the finance industry. Before joining Vontobel, he spent 20 years in various leadership positions at Deutsche Bank in Switzerland and abroad. Herbert J. Scheidt is currently Vice Chairman of the Board of Directors of Hero AG. He is also a member of the Board of Trustees of the Ernst von Siemens Music Foundation and a member of the Executive Committee of the German-Swiss Chamber of Commerce. Herbert J. Scheidt was Chairman of the Board of Directors of the Swiss Bankers Association from 2016 until 2021.

The Rt Hon **Lord Patten** of Barnes CH
whose long career includes posts as European Commissioner and as the last Governor of Hong Kong, who transferred sovereignty over the former British crown colony to the People's Republic of China in 1997. Following his active political life, Lord Patten served as Chancellor of Newcastle University, among other roles, and has been Chancellor of the University of Oxford since 2003.

Carlo Pesenti
who has served as Chief Operating Officer of Italmobiliare SpA since 2014. Italmobiliare, a leading Italian holding company with a history spanning more than 150 years manages holdings in a large number of industrial, media and private equity firms. Carlo Pesenti is a member of the governing bodies of numerous companies and has a seat on the Board of the Italian newspaper Il Sole 24 Ore.

Felix Happel
Chairman of the Board of Directors of Porterhouse Group AG, Lucerne, a European holding company that combines innovative firms with unique selling propositions. Porterhouse uses its own funds to acquire majority stakes in small and medium-sized companies and supports their long-term development.

Nicolas Oltramare
was a member of the Board of Directors of the Vontobel Holding AG and Bank Vontobel AG from 2013 to 2018. He was also a member of the Nomination & Compensation Committee from 2013 to 2015 and a member of the Risk & Audit Committee from 2015 to 2018. Nicolas Oltramare is a Swiss entrepreneur with broad experience in private equity in Europe and Asia, with a broad network in these regions. In addition, Nicolas Oltramare provides advice to a large number of family offices and is a member of various Swiss charitable foundations.

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 indicators 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	See table on page 25
Advised client assets	See note 33
AIFMD	Alternative Investment Fund Managers Directive
Assets under management	See note 33
AT1	Additional Tier 1 bond – see note 22
Basel III leverage ratio	See "Capital" section
BIS	Bank for International Settlements
BoD	Board of Directors
CEO	Chief Executive Officer
CET1	Common equity tier 1; see "Capital" section
CET1 capital	Common equity tier 1 (CET1) – capital; see "Capital" section
CFO / CRO	Chief Financial Officer / Chief Risk Officer
Client assets	See note 33
COO	Chief Operating Officer
Cost / income ratio	Ratio of total operating expense (excluding provisions and losses recognized in "General expense") to total operating income
Cost of capital	Costs used for the imputed return on equity
CRD IV	Capital Requirements Directive IV
Custody assets	See note 33
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
ESG	Environmental Social Governance
FINMA	Swiss Financial Market Supervisory Authority

KEY FIGURES / ABBREVIATION	DEFINITION / REFERENCE
GAAP	Generally Accepted Accounting Principles
GRI	Global Reporting Initiative
Gross margin	Ratio of total operating income to average assets under management (based on average values for individual months)
IAS	International Accounting Standards
ICS	Internal control system
IFRS	IFRS Accounting Standards
KPIs	Key Performance Indicators
Liquidity Coverage Ratio	See "Risk management and risk control" chapter
LTI	Long Term Incentive Plan
MiFID / MiFID II	Markets in Financial Instruments Directive II
NCC	Nomination and Compensation Committee
Net new money / net inflows or outflows of new money	See note 33
Net profit	Group net profit
OTC	Over-the-counter
Other advised client assets	See note 33
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 at balance sheet date
Price / earnings per share	Share price at the balance sheet date in relation to earnings per average registered share outstanding during the year under review
RAC	Risk and Audit Committee
Return on equity / return on shareholders' equity	Group net profit as a percentage of average shareholders' equity based on monthly figures, excluding minority interests
Risk-weighted positions	See "Capital" section
ROE	Return on equity
SNB	Swiss National Bank
Tax rate	Total of current and deferred income taxes as a percentage of the profit before taxes
Tier 1 capital	See "Capital" section
Tier 1 capital ratio	See "Capital" section
Total capital ratio	See "Capital" section
UCITS	Undertakings Collective Investments in Transferable Securities
Value at Risk	See "Risk management and risk control" chapter

Investors' information and contacts

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) bonds

Size	USD 200 M
ISIN	CH1224630090
Size	USD 200 M
ISIN	CH1224630108

Moody's Ratings

Bank Vontobel AG

Long-term deposit rating	Aa3
Short-term deposit rating	Prime-1
Long-term counterparty risk rating	A2
Short-term counterparty risk rating	Prime-1
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) bond	Baa2(hyb)

Financial calendar

April 9, 2024
Annual General Meeting 2024

April 2, 2025
Annual General Meeting 2025

Additional events
www.vontobel.com/calendar

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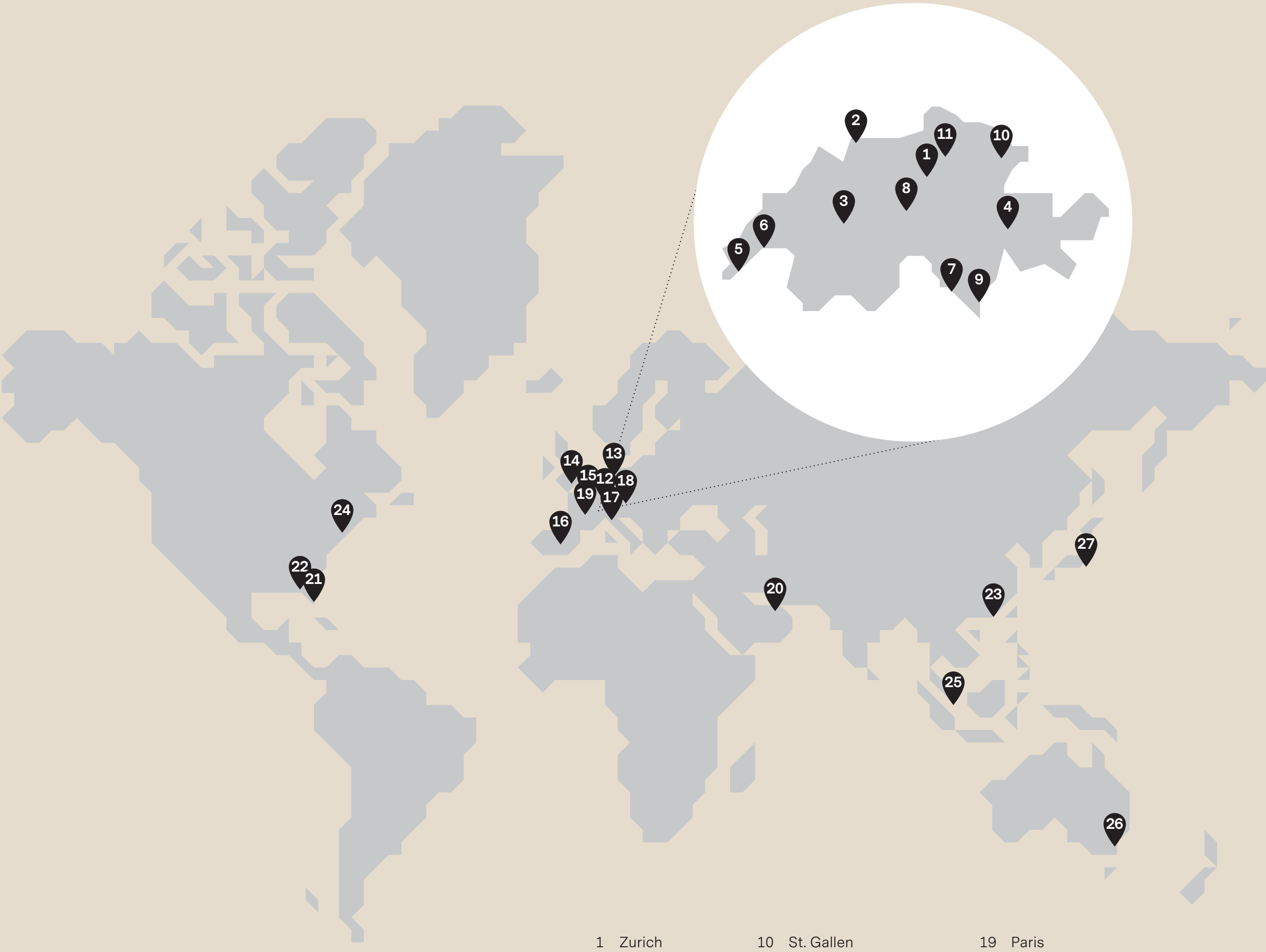
Our locations

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 27 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
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