

# Avaloq Wealth Management Index

Methodology overview

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# Introduction to the Avaloq Wealth Management Index

## Key features of the index

- The index provides insight into the structural conditions shaping today's global wealth landscape, enabling consistent comparison across markets.
- Built on a robust, data-driven foundation, the index brings together more than 60 indicators across five core pillars and 15 selected markets, incorporating both historical trends and forward-looking projections.

-  Macroeconomic conditions
-  Financial market maturity
-  Demographics
-  Regulatory environment
-  Technology and digital adoption

The index scores signal market attractiveness (0–100), reflecting where institutional strength, digital readiness and demographic quality already align to support scalable wealth management opportunities.

| Pillar 1                 | Pillar 2                  | Pillar 3     | Pillar 4               | Pillar 5                        | Overall |
|--------------------------|---------------------------|--------------|------------------------|---------------------------------|---------|
| Macroeconomic conditions | Financial market maturity | Demographics | Regulatory environment | Technology and digital adoption | WMI     |
| 2025                     | 2025                      | 2025         | 2025                   | 2025                            | 2025    |
| 100                      | 73                        | 74           | 100                    | 84                              | 86      |
| 82                       | 100                       | 86           | 55                     | 89                              | 83      |
| 70                       | 34                        | 100          | 72                     | 100                             | 72      |
| 78                       | 51                        | 39           | 100                    | 73                              | 67      |
| 72                       | 63                        | 54           | 95                     | 43                              | 66      |
| 24                       | 63                        | 59           | 71                     | 79                              | 58      |
| 33                       | 33                        | 73           | 81                     | 78                              | 57      |
| 16                       | 67                        | 42           | 64                     | 83                              | 54      |
| 44                       | 49                        | 26           | 59                     | 54                              | 46      |
| 45                       | 26                        | 49           | 42                     | 75                              | 45      |
| 33                       | 51                        | 12           | 56                     | 45                              | 40      |
| 21                       | 31                        | 49           | 54                     | 47                              | 40      |
| 26                       | 64                        | 14           | 32                     | 37                              | 36      |
| 47                       | 13                        | 34           | 19                     | 20                              | 26      |
| 30                       | 12                        | 53           | 3                      | 14                              | 22      |

# Data foundation

## Criteria for shortlisting indicators (60+) within the five pillars

- Assess data availability from secondary sources for both historical and forward-looking data
- Evaluate data availability across all selected markets, preferably from the same data source

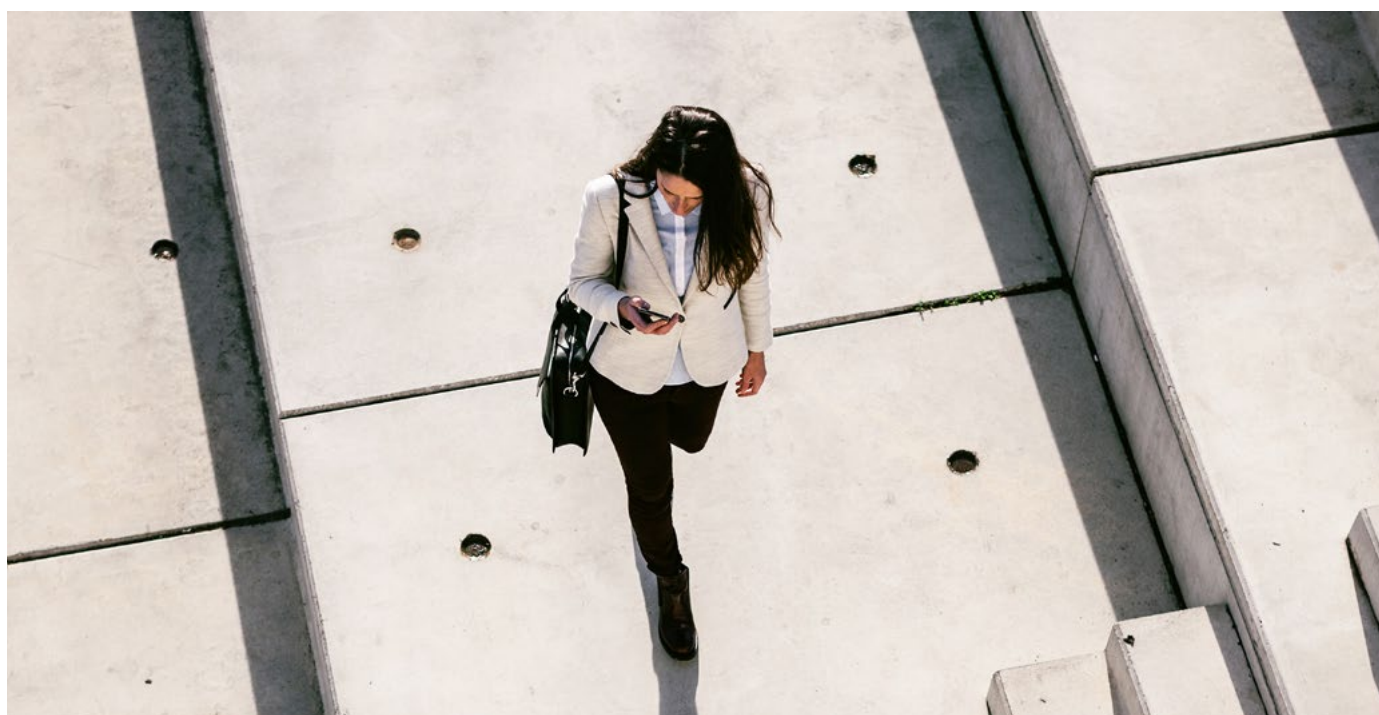
If an indicator did not meet these criteria, a proxy indicator was selected as the best-fit substitute fulfilling all requirements.

## Key data sources



## 15 selected markets

- Belgium
- Germany
- Hong Kong
- Italy
- Japan
- Luxembourg
- Malaysia
- Netherlands
- Singapore
- Switzerland
- Thailand
- United Arab Emirates
- United Kingdom
- United States
- Vietnam



# Index computation methodology: a five-step process

A structured, rigorous, data-driven methodology combining advanced analytics with Avaloq's market expertise to produce a consistent and comparable index

## 01 Data preparation

- Curate a robust set of global indicators across all pillars
- Address data gaps using validated estimation techniques
- Standardize and normalize data to enable consistent cross-market comparability



## 02 Analytical structuring

- Identify the most meaningful drivers within each pillar
- Reduce complexity by grouping related indicators into core components
- Ensure each component reflects a distinct dimension of market strength



## 03 Pillar-level scoring

- Evaluate each component using objective, data-driven weighting
- Aggregate component scores to derive pillar-level performance
- Ensure scores reflect underlying structural strength



## 04 Index construction

- Combine pillar scores into a unified index
- Apply a consistent weighting framework to reflect their relative importance
- Enable a clear comparison of structural conditions across markets



## 05 Expert calibration and insights

- Refine outcomes using Avaloq's domain and market expertise
- Validate results against real-world market dynamics
- Translate scores into clear insights and tiered market groupings

# Five core pillars

The index evaluates each market across five distinct, interlinked pillars, built from more than 60 indicators that capture key dimensions of structural conditions shaping wealth management activity.

## Pillar 1

### Macroeconomic conditions

Assesses the strength and stability of wealth creation within a market, including income levels, economic growth, inflation and the ability to attract investment

## Pillar 3

### Demographics

Captures population dynamics and behaviours that shape demand for wealth management, including age structure, urbanization, spending patterns and attitudes towards financial planning

## Pillar 5

### Technology and digital adoption

Evaluates the strength of digital infrastructure and the extent to which financial services are delivered and used through digital channels

## Pillar 2

### Financial market maturity

Evaluates the depth and accessibility of financial systems, including banking, investment and protection services, and the extent to which individuals participate in them

## Pillar 4

### Regulatory environment

Assesses the clarity, stability and efficiency of legal and supervisory frameworks, including compliance requirements and ESG alignment

