

Results presentation · 2017

VP Bank Group in figures



VP Bank during the 2017 financial year

Strong income and profit growth

Group net income: CHF 65.8 million (+13.4%)

Cost/income ratio: 64.2% (68.4%)

Increase in all sources of revenue

Costs developed in line with strategy

Excellent net new money performance

Net new money: CHF 1.9 billion (0.0 billion)

All locations with positive net new money performance

Sound balance sheet

Tier 1 ratio: 25.7% (27.1%)

Standard & Poor's rating: A-/Positive/A-2

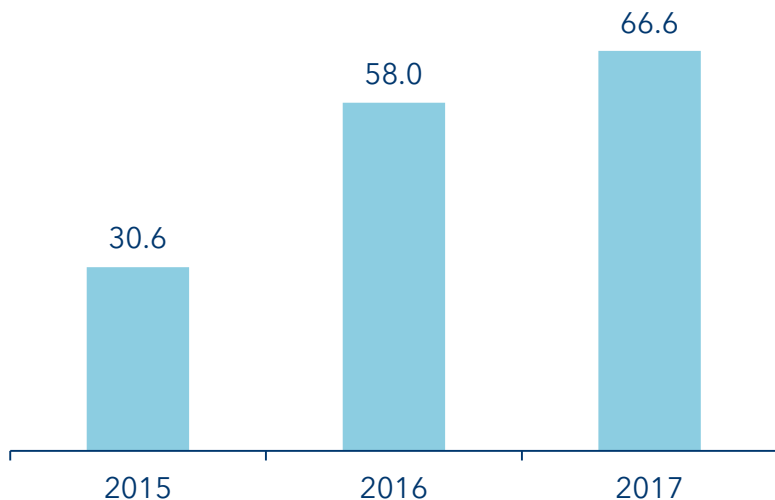
Extremely healthy balance sheet

High level of liquid assets

Adjusted Group net income rises significantly

- Continuous rise over the last three years
- Profit twice as much as in 2015

Adjusted Group net income in CHF million



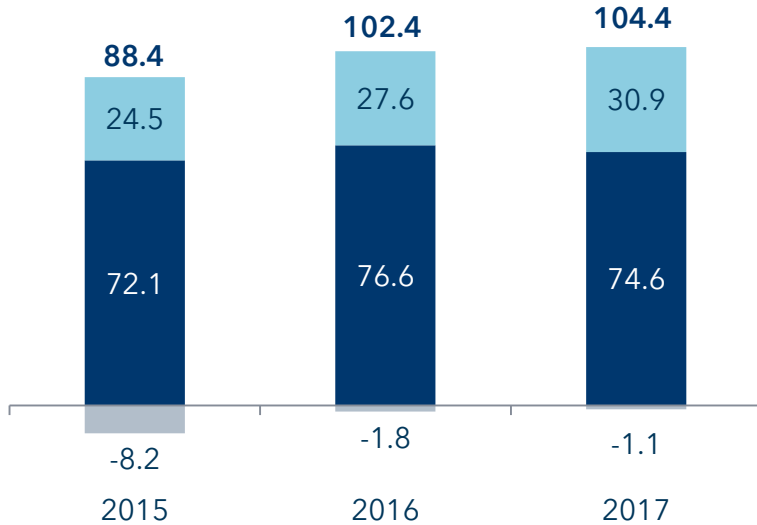
Income statement in CHF million

	2015	2016	2017
Operating income	306.6	273.2	300.1
Operating expenses	-246.4	-212.2	-229.7
Taxes	3.9	-3.0	-4.6
Group net income	64.1	58.0	65.8
One-off effects	-33.5 ¹	0.0	0.8 ²
Adjusted Group net income	30.6	58.0	66.6

¹ One-off effect due to the integration of Centrum Bank and IAS 19.

² One-off effect due to the NRW provision and IAS 19.

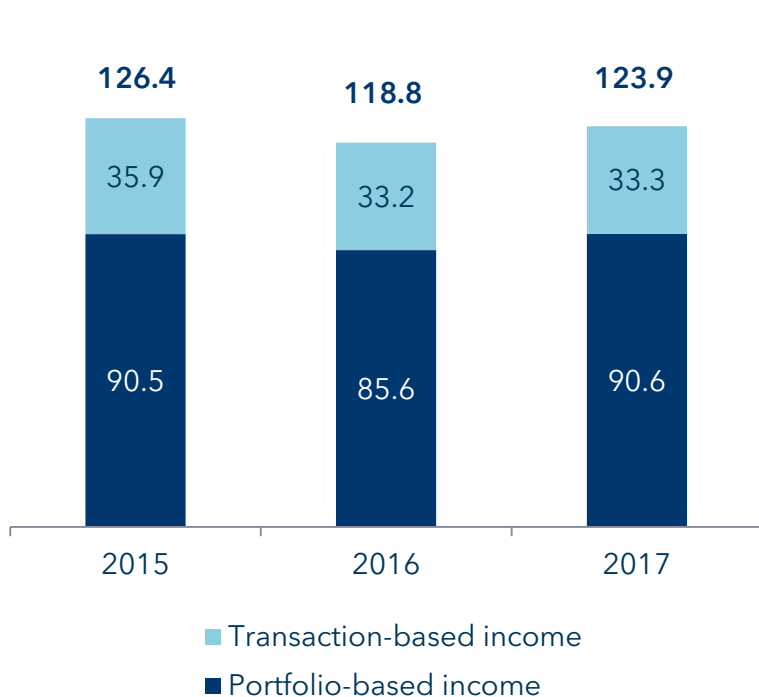
Interest income (in CHF million)



- Interest rate hedging transactions
- Treasury
- Clients

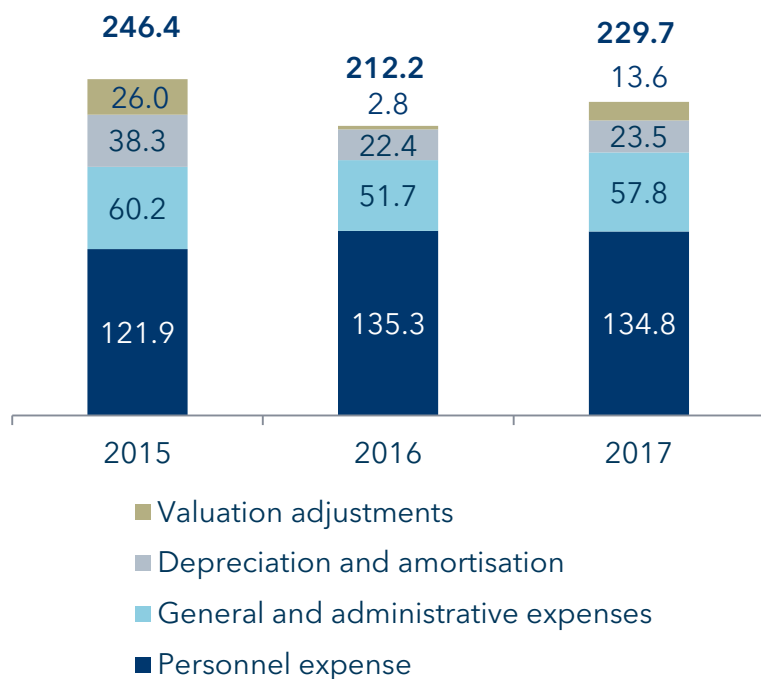
- The treasury result benefited from increased financial investment volumes and higher USD interest rates
- Interest income from clients rose significantly on the back of higher lending volumes; by contrast, the interest expense increased considerably due to higher USD interest rates

Commission business and services (in CHF million)



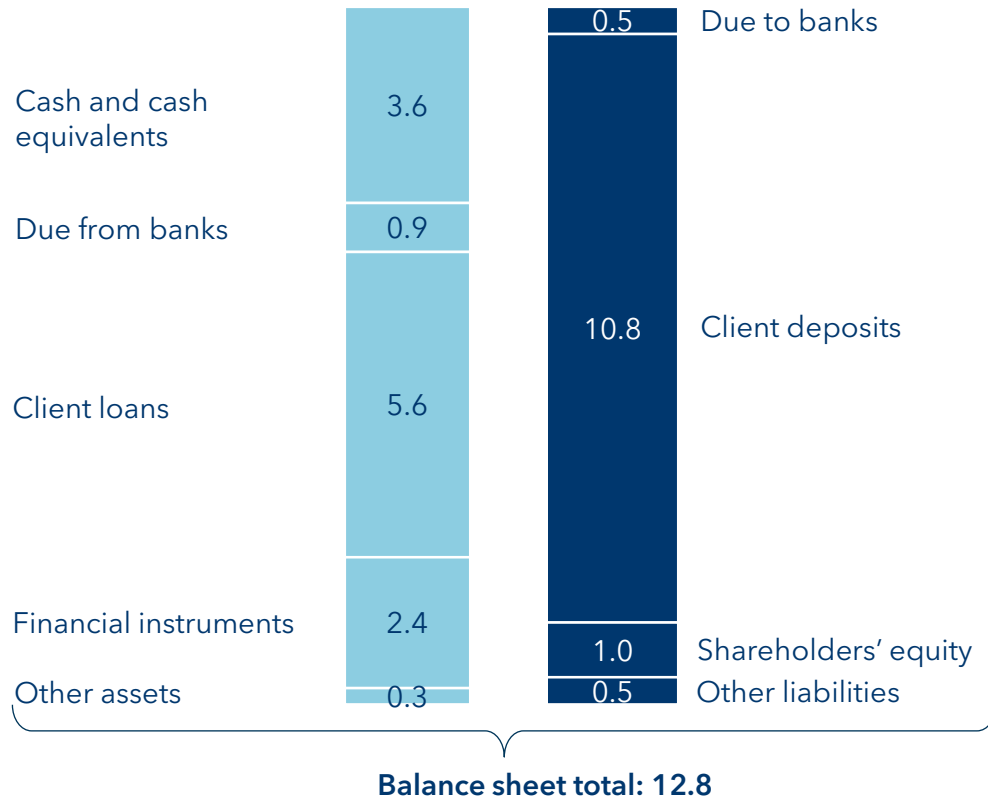
- Increase of portfolio-based income thanks to higher volumes and banking products
- Higher transaction volumes

Operating expenses (in CHF million)



- Personnel expense increased 7.1% leaving aside the one-off effect from IAS 19; this was primarily a result of the 8.3% increase in headcount to 800
- Significantly higher expenditure on fees and marketing led to an 11.8% increase in general and administrative expenses
- Depreciation and amortisation rose by 5.1% as a result of investment activities
- The increase in valuation adjustments is due to the provision relating to the agreement with NRW; excluding this one-off effect, this figure is slightly below that of the previous year

Solid balance sheet as of 31 December 2017 (in CHF billion)



- High level of liquid assets representing more than a quarter of the balance sheet total
- Increase of 7.6% in client loans, primarily Lombard loans
- Increase of 12.8% in financial instruments
- Growth of 7.5% in client deposits
- Increase of 6.1% in shareholders' equity

Strong balance sheet ratios

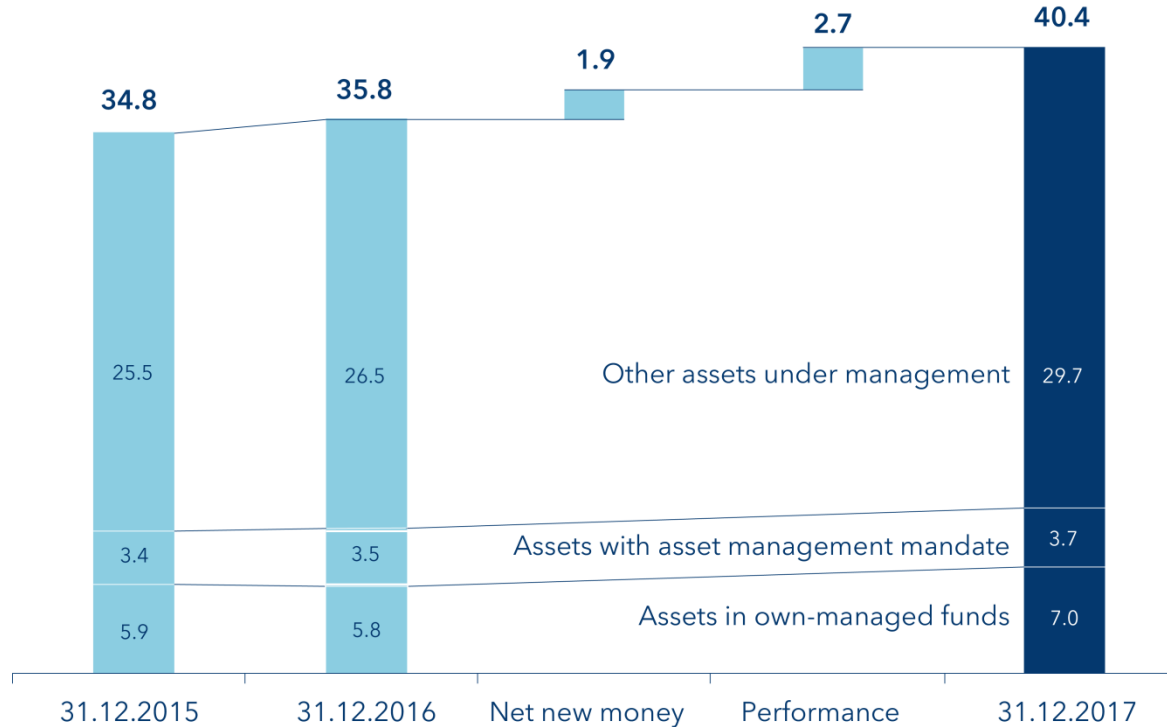
	31.12.2015	31.12.2016	31.12.2017
Balance sheet total in CHF billion	12.4	11.8	12.8
Risk-weighted assets in CHF billion	3.7	3.5	3.8
Shareholders' equity in CHF million	918.1	936.9	994.2
Core capital in CHF million	911.2	938.5	976.6
Tier 1 ratio	24.4%	27.1%	25.7%
Leverage ratio ¹	7.0%	7.8%	7.5%
Loan-to-deposit ratio ²	46.5%	52.2%	52.2%
Non-performing loans ³	0.4%	0.9%	1.1%

¹ Ratio of allocable shareholders' equity to balance sheet total.

² Ratio of client loans to client deposits.

³ Ratio of non-performing loans to client loans.

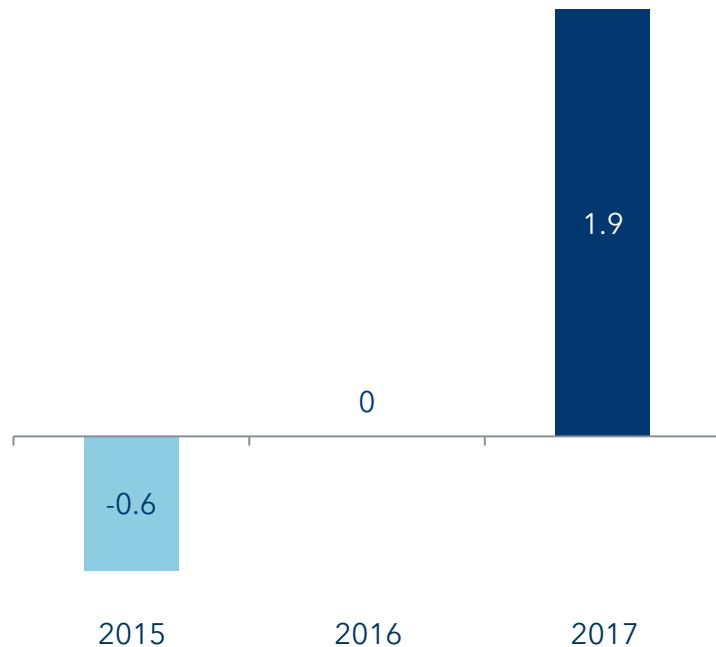
Increase in client assets under management (in CHF billion)



- Increase of 13.0% in client assets under management
- Strong increase in net new money of CHF 1.9 billion
- Positive market performance

- Client assets including custody assets at CHF 46.4 billion

Net new money (in CHF billion)



- Increase in net new money of CHF 1.9 billion (5.3%)
- Continuous improvement over the last three years
- Particularly strong inflows in Europe thanks to recruitment of new client advisors and existing clients
- Continued solid inflows in Asia
- Low outflows due to AEOI / tax regulation

Segment overview as of 31 December 2017

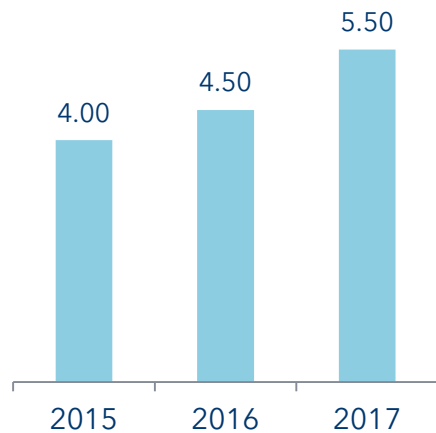
	Client Business Liechtenstein	Client Business International	Corporate Center	Group
Business volume in CHF ¹	30.8 billion	15.3 billion	-	46.1 billion
Client assets under management in CHF	26.7 billion	13.7 billion	-	40.4 billion
Net new money in CHF	0.4 billion	1.5 billion	-	1.9 billion
Pre-tax net income in CHF	103.8 million	7.1 million	-40.6 million	70.3 million
Gross margin in basis points ²	72.1	62.9	-	-
Headcount in FTEs	183	262	354	800

¹ Client assets under management and client loans.

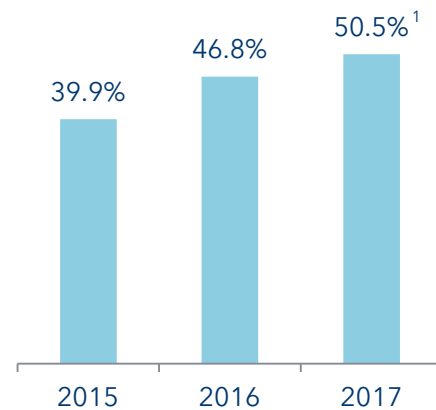
² Operating income divided by average client assets under management.

Dividends

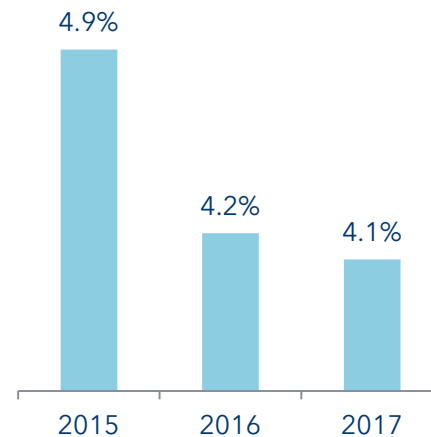
Dividends in CHF



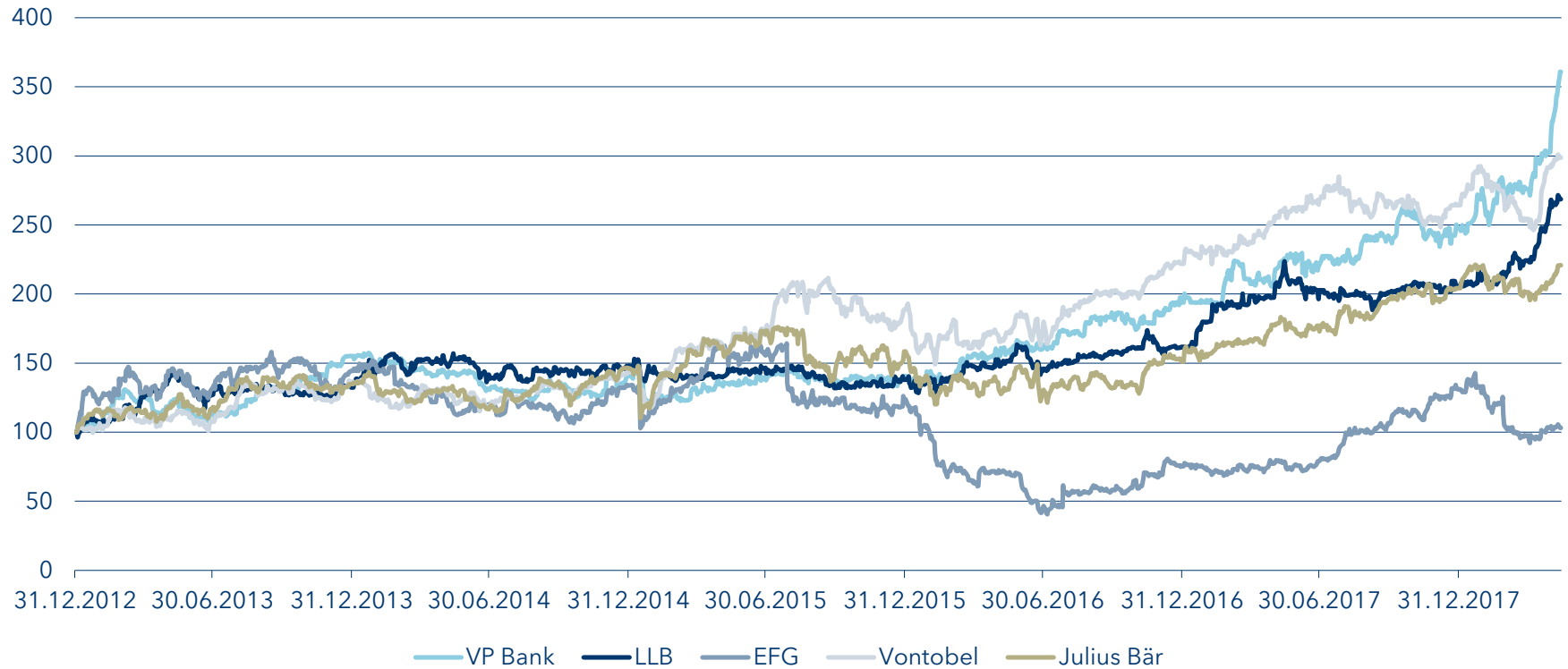
Payout ratio



Dividend yields

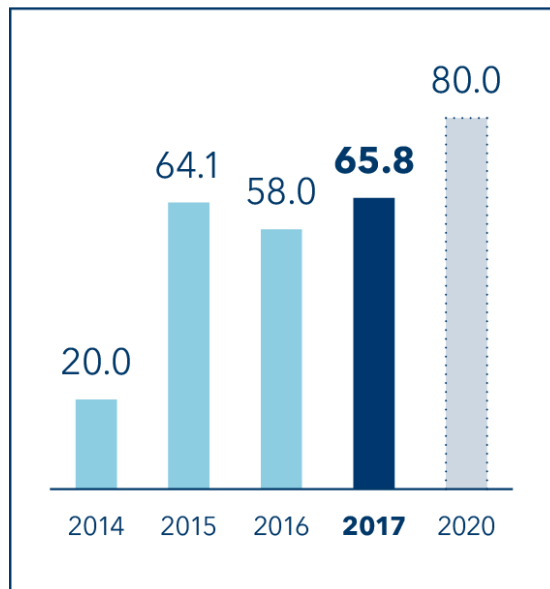


Comparison of the VP Bank share including dividend

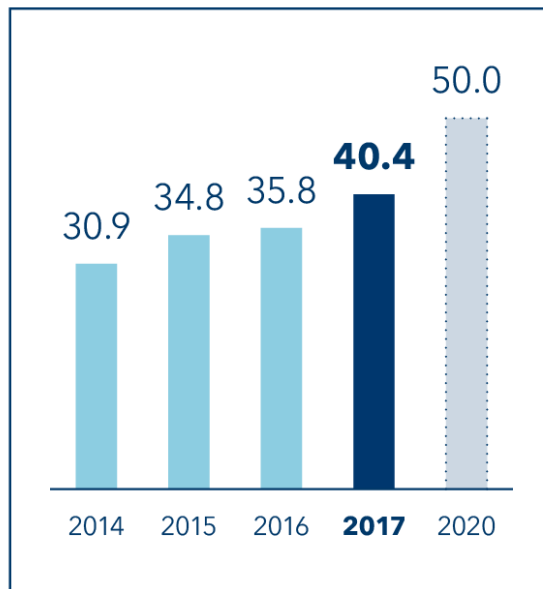


Status quo medium-term objectives

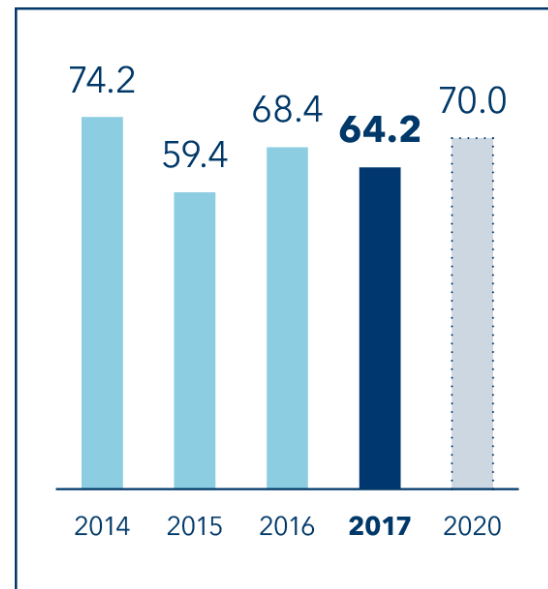
Net income
(in CHF million)



Client assets under management
(in CHF billion)



Cost/income ratio
(in %)



Summary

Growth in line with strategy

- Client advisor recruitment campaign
- Inflow of net new money at all locations

Strong operative performance

- Increase in revenues
- Further development of front-office activities

Secure and stable Bank

- High level of liquid assets
- Solid equity and strong tier 1 ratio
- Excellent Standard & Poor's rating



Contact address and agenda

Investor Relations

Alfred W. Moeckli, Chief Executive Officer

Siegbert Näscher, Chief Financial Officer

Contact :

Rudolf Seuhs, Head of Corporate Communications a.i.

T +423 235 66 55, F +423 235 65 00

investor.relations@vpbank.com

www.vpbank.com → Investors & Media

Agenda

- Semi-annual results 2018: 21 August 2018
- Annual results 2018, media and analysts conference: 5 March 2019
- Annual general meeting of shareholders 2019: 26 April 2019
- Ex-dividend date: 30 April 2019
- Record date: 2 May 2019
- Dividend payment: 3 May 2019

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Aeulestrasse 6 · 9490 Vaduz · Liechtenstein · T +423 235 66 55 · F +423 235 65 00
info@vpbank.com · www.vpbank.com · VAT no. 51.263 · Reg. no. FL-0001.007.080